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**REGIONAL**

**SUPPORT FOR THE  
FREE TRADE AREA OF THE AMERICAS (FTAA)  
ADMINISTRATIVE SECRETARIAT  
MEXICO 2005**

**(RG-T1102)**

**PLAN OF OPERATIONS**

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## ABBREVIATIONS

AS	FTAA Administrative Secretariat
Bank	Inter-American Development Bank
COF/CME	IDB Country Office in Mexico
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
EU	European Union
FTAA	Free Trade Area of the Americas
FTAA Entities	Collective reference to the nine Negotiating Groups (Market Access; Agriculture; Government Procurement; Services; Investment; Intellectual Property; Subsidies, Antidumping and Countervailing Duties; Competition Policy and Dispute Settlement) and the several Committees or other Groups (Civil Society, Smaller Economies, Technical Committee on Institutional Issues)
FTA	Free Trade Agreement
INT/ITD	Integration, Trade and Hemispheric Issues Division of the Integration and Regional Programs Department of the IDB
INT/RTC	Regional Technical Cooperation Division of the Integration and Regional Programs Department of the IDB
NAFIN	Nacional Financiera, SNC
NAFTA	North American Free Trade Agreement
NGO	Non-Governmental Organization
OAS	Organization of American States
TNC	Trade Negotiations Committee
TPC	Tripartite Committee



**SUPPORT FOR THE FREE TRADE AREA OF THE AMERICAS (FTAA) ADMINISTRATIVE  
SECRETARIAT – MEXICO 2005**

**(RG-T1102)**

**EXECUTIVE SUMMARY**

**Requester:** Governments of Brazil and the United States of America in their function as Co-Chairs of the FTAA Trade Negotiations Committee (TNC) on behalf of the 34 countries participating in the FTAA process.

**Executing Agency:** Nacional Financiera, SNC, as Trustee of the Trust Fund for the FTAA Administrative Secretariat.

**Target Beneficiaries:** The 34 countries participating in the FTAA process.

<b>Amount and Source:</b>	IDB - non-reimbursable FSO:	US\$	650,000
	Cofinancing (OAS & ECLAC):	US\$	30,000
	Local (Govt. of Mexico):	US\$	250,000
	Total:	US\$	930,000

**Execution Timetable:** Execution Period: 6 Months

Disbursement Period: 9 Months

**Objectives:** The general objective of the Program is to facilitate the creation of the Free Trade Area of the Americas through the provision of direct support to the FTAA negotiating process.

The specific objective of the Program is to support the operation of the FTAA Administrative Secretariat (AS), which provides temporary administrative and logistical support to the negotiating process, in Puebla, Mexico, for approximately 6 months from June 2005 to December 2005.

**Special Contractual Conditions:** It should be noted that the proposed program is to provide for a continuation of the AS services presently being provided under ATN/SF-8202-RG. The conditions that follow are to ensure a renewal of the structure and operating conditions set up under that Technical Cooperation.

Conditions prior to first disbursement: “Nacional Financiera, S.N.C.” as Trustee of the Trust Fund for the FTAA Administrative Secretariat will present, to the satisfaction of the Bank, evidence that: (a) The “Estados Unidos Mexicanos”, through its “Secretaría de Economía”, has entered into an agreement with “Nacional

Financiera, S.N.C.” in order to transfer to the Trust Fund for the FTAA Administrative Secretariat, the local counterpart resources necessary for the implementation of the Program; (b) The “Estados Unidos Mexicanos”, through its “Secretaría de Economía”, has transferred to the Trust Fund for the FTAA Administrative Secretariat, the equipment and materials necessary for the implementation of the Program; (c) The Trust Fund for the FTAA Administrative Secretariat has the necessary physical space in order to carry out the activities contemplated in the Program; and (d) “Nacional Financiera, S.N.C,” as Trustee of the Trust Fund for the FTAA Administrative Secretariat has presented to the Bank the plan, catalog or accounting code for the Program.

**Exceptions to  
Bank Policy:**

See the Procurement section that follows.

**Procurement:**

The contracting of consulting services as well as the acquisition of goods and related services will be carried out by the Executing Agency according to Bank policies and procedures. Due to the specialized nature of the activities of the AS, the professional expertise and knowledge of the consultants carrying out those activities and the time involved in training new consultants, as well as to ensure continuity of the FTAA negotiating process, some key AS consultants presently providing services in Mexico are expected to continue. These consultants have been selected and hired through a competitive process in accordance with the Bank’s policies and procedures (Procurement Manual GS-501 to GS-503) and their performance has been evaluated as satisfactory by the Bank. As such, it is recommended to continue their services without going through another competitive process. All other new consultants contemplated under the Program will be hired following the Bank’s standard policies and procedures. (See paragraph 4.14.)

**Environmental/  
Social Review:**

The TC Profile was reviewed in the CESI/TRG meeting 08-05 of February 25, 2005, where it was approved as proposed without comments.

**Coordination with  
Other Official  
Development  
Finance  
Institutions:**

When the AS was created, FTAA Ministers determined that its operations should be funded through resources provided by both the local host and the Tripartite Committee (TPC), which is composed of the Inter-American Development Bank, the Organization of American States (OAS) and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). These three organizations closely coordinate their efforts related to the FTAA negotiations. No other international financial institutions are charged with providing support to the FTAA negotiating process.



## I. BACKGROUND AND JUSTIFICATION

- 1.1 At the 1994 Miami Summit of the Americas, the 34 democratic countries of the Western Hemisphere pledged to create a hemisphere-wide Free Trade Area of the Americas from Canada to Tierra del Fuego, Argentina. Following a three-year preparatory phase, formal FTAA negotiations were launched in April 1998. With a combined population of 800 million and a GDP of US\$13 trillion, the FTAA will be the largest free trade area in the world and one of the most ambitious integration schemes in the world.
- 1.2 The organizational structure for the negotiations was established by governments during the 1998 San José Ministerial Meeting. According to this structure, the FTAA negotiations are overseen and managed by the Ministers responsible for trade, who meet periodically to provide political guidance to the process. The Trade Negotiations Committee (TNC) – made up of the 34 Vice-Ministers– is responsible for guiding the day-to-day work of the nine negotiating groups and four related committees as well as for defining the overall architecture of the negotiations. A temporary AS was moreover created in 1998 to provide administrative, logistical and linguistic support to the negotiations.
- 1.3 Governments originally planned to complete the negotiations by early 2005 and seek its entry into force by December 2005. However, in November 2003, the Ministers agreed to a new framework that bifurcated the negotiations into two separate, but parallel tracks. One track will develop a common and balanced set of rights and obligations that will be applicable to all countries. The second track provides for plurilateral negotiations among FTAA countries that wish to undertake additional liberalization and disciplines within the FTAA. Ministers directed the TNC to establish procedures for the negotiations to proceed under this new vision. In February 2004, following a meeting of the TNC, the Co-Chairs announced that, while they had made good progress, the task proved to be extremely complex and that the delegations needed more time for consultations. Informal consultations were conducted by the TNC Co-Chairs, and have continued to the present time. *[Information deleted]*. At the present time, discussions are underway with a view to resuming the negotiations.
- 1.4 Following a decision taken in 1998 by FTAA Ministers to rotate the site of the meetings among several host cities during the negotiation process, the AS was originally temporarily based in Miami (August 1998 - February 2001), then in Panama (March 2001-February 2003) and is currently in Mexico since March 2003 until the conclusion of the negotiations.
- 1.5 The AS has the following core functions:
  - a. *Conference Services*: provides logistical support to all FTAA negotiation meetings, including TNC meetings as required;

- b. *Document Control*: manages the flow of documents including receiving, channeling for translation, distributing and archiving all official documents of the negotiating process;
  - c. *Translation Services*: translates all official documents of the FTAA process into the two official working languages of English and Spanish; and
  - d. *Interpretation Services*: provides interpretation services during the deliberations, into the two official working languages of English and Spanish.
- 1.6 In line with its core mandates, the AS has provided an invaluable service to FTAA delegations, and has played a key role in ensuring a smooth negotiating process. *[Information deleted]*. The AS physical space includes both administrative offices and the meeting rooms where the FTAA negotiations take place.
- 1.7 When the AS was created, FTAA Ministers determined that its operations should be funded through resources provided by both the local host and the Tripartite Committee (TPC), which is composed of the Inter-American Development Bank, the Organization of American States (OAS) and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). In the Santiago Plan of Action, Heads of State of the 34 FTAA countries therefore called on “the Tripartite Committee, in particular, the Inter-American Development Bank, to allocate appropriate existing resources within [their] institutions to support the Administrative Secretariat for the FTAA negotiations”. The Bank has played a key role in helping countries set up and finance the AS during its first years of operation in Miami, during its two years of operation in Panama, and since March 2003 in Mexico. To this effect, the Bank approved a regional technical cooperation project in January 1999 (ATN/SF-6353-RG), which funded the AS in Miami until February 2001, a second operation in November 2000 (ATN/SF-7225-RG) to fund the AS’s operations in Panama from March 2001 until February 2003, and a third operation in January 2003 (ATN/SF-8202-RG) which will fund the AS’s operations in Mexico until approximately June 2005.
- 1.8 Since the 1994 Miami Summit of the Americas, the Tripartite Committee has provided crucial technical and analytical support to the process in addition to the administrative and logistical support to the AS. Trade experts from all three institutions have helped governments compile country and region-specific trade and tariff data, analyze existing trade-related norms and regulations, and prepare background papers on key issues affecting hemispheric trade. The Bank has assisted these efforts through a number of FTAA-related regional technical cooperation projects.

<b>BANK-FINANCED RTCs SUPPORTING THE FTAA PROCESS</b>			
<u>TC Number</u>	<u>Name</u>	<u>Year</u>	<u>IDB Financing (\$)</u>
ATN/SF-5036-RG	Support Working Groups–FTAA Denver 1995	1995	150,000
ATN/SF-5230-RG	Denver Groups – Free Trade – Phase II	1996	750,000
ATN/SF-5272-RG	Free Trade Area of the Americas (FTAA)	1996	150,000
ATN/SF-5510-RG	Governmental Purchases Task Force	1997	149,000
ATN/SF-5633-RG	Free Trade Area of the Americas (FTAA)	1997	500,000
ATN/SF-5670-RG	Support for Publishing Reports in Portuguese	1997	148,000
ATN/SF-5726-RG	Support Pro-Tempore Secretariat FTAA	1997	98,000
ATN/SF-6107-RG	Support Tripartite Committee in FTAA	1998	650,000
ATN/SF-6353-RG	Support to the FTAA Secretariat – Miami	1999	3,000,000
ATN/SF-6860-RG	FTAA Negotiations	2000	650,000
ATN/SF-7225-RG	Support to the FTAA Secretariat – Panama	2000	3,000,000
ATN/SF-7431-RG	FTAA Negotiations Support	2001	750,000
ATN/SF-7983-RG	Technical Support to the FTAA Negotiations	2002	500,000
ATN/SF-8202-RG	Support to the FTAA Secretariat – Mexico	2003	3,000,000
ATN/SF-8353-RG	Technical Support for the FTAA Negotiations	2003	750,000
ATN/SF-8794-RG	Technical Support for the FTAA Negotiations	2004	750,000

- 1.9 The previous technical cooperation project to finance the AS (ATN/SF-8202-RG) was designed to provide funding until January 2005. Judicious management of the AS resources *[information deleted]*, has generated significant savings that will allow the financing to be extended through approximately June 2005 *[information deleted]*. *[Information deleted]*. AS consultants have been involved in principally administrative tasks *[information deleted]*. This Program is proposed at this time in order to ensure continuity of the operational capability of the AS to support the negotiations, when they resume, and to prevent any gap in its financing.
- 1.10 As mentioned in paragraph 1.3, at the present time discussions continue between the TNC Co-Chairs with a view to resuming the FTAA negotiations. If negotiations do resume in mid 2005, as is fully anticipated, the continued operation of the AS would be crucial for the negotiating process and additional

resources would be required to support the AS's operation in Mexico beyond June 2005. *[Information deleted]*.

*[Information deleted]*

- 1.11 *[Information deleted]*. Present funding requirements have been estimated at US\$650,000, which will be used to support the AS's operations for approximately 6 months – from June 2005 to December 2005. If necessary, a further regional technical cooperation may need to be presented to support the AS until the expected completion of negotiations in Mexico.
- 1.12 It should be noted that over the years of receiving funds from Bank operations, the AS has developed into a very effective agent for providing support to the FTAA negotiating process. It has successfully provided support in the four core areas detailed above and it has an organizational structure that enables it to respond rapidly to the requirements of the FTAA delegates. A previous review conducted by an independent consultant indicated that the AS has successfully achieved the goal of facilitating and supporting the negotiations towards the establishment of the Free Trade Area of the Americas and that its consultants are heavily committed to the FTAA process. This is also the general conclusion reached by Bank staff associated with the project. It should be emphasized that the AS's activities have been carefully monitored by the Bank on a continual basis, through fact-finding missions, evaluations, audits and regular participation in TNC meetings *[information deleted]*.

## **II. THE PROGRAM**

### **A. Objectives**

- 2.1 The general objective of the Program is to facilitate the creation of the Free Trade Area of the Americas through the provision of direct support to the FTAA negotiating process.
- 2.2 The specific objective of the Program is to support the operation of the AS, which provides temporary administrative and logistical support to the negotiating process, in Puebla, Mexico, for approximately 6 months from June 2005 to December 2005.

### **B. Description**

- 2.3 The Program will finance the operation of the AS during its continued stay in Mexico. This will enable the AS to comply with its official mandate to provide administrative and logistical support to the negotiations, adequate translation and interpretation services, and efficient document management.

Installation and Relocation of AS Consultants and Materials (\$100,000)

- 2.4 The Program will cover the installation costs of new international consultants and the repatriation expenses of new and existing consultants contracted for the work of the AS. Hiring for key consultancies is done internationally due to the specialized nature of the work of the AS and the resultant desire to have an adequate pool of candidates. As a secondary consideration, it is also done to maintain a geographical representativity given the international nature of the FTAA negotiations.

FTAA Administrative Secretariat Consultants (\$667,450)

- 2.5 *[Information deleted]*. The present AS structure will be retained. *[Information deleted]*

Operating Expenses of the FTAA Administrative Secretariat (\$94,400)

- 2.6 The operating expenses of the AS will be financed in cash by the Mexican contribution. These will cover, amongst other items: (i) telephone and communications; (ii) office supplies; (iii) postal and courier service, and; (iv) photocopier maintenance and supply. *[Information deleted]*.

Project Auditing (\$6,500)

- 2.7 A final comprehensive financial audit will be carried out on completion of the Program. The cost corresponding to the contracting of the auditing firm will be chargeable to the Bank financing, and will be selected according to Bank policies and procedures governing the matter.

### III. COST AND FINANCING

*[Information deleted]*

#### **B. Description, Composition and Sources of Financing**

- 3.1 The overall costs and financing are estimated to be US\$930,000 of which the Bank is expected to provide US\$650,000, the OAS US\$15,000, ECLAC US\$15,000 and the Government of Mexico up to US\$250,000.
- 3.2 The contribution of the Bank will be \$650,000, on a non-reimbursable basis, chargeable to the net income of the Fund for Special Operations (FSO) in convertible currency. The contribution will cover: (i) the installation of any new AS international consultants, as well as repatriation expenses of consultants at the end of the project; (ii) part of the honoraria and travel of AS consultants; (iii) project auditing costs, and; (iv) contingencies.
- 3.3 Cofinancing resources from the OAS and ECLAC will finance part of the honoraria of the AS consultants.

- 3.4 The counterpart resources will come from the Government of Mexico, which will finance with cash: (i) part of the honoraria of the AS consultants, and; (ii) the operating costs of the AS, as provided for in paragraph 2.6. The Government of Mexico will also continue to provide the AS installations and equipment as an in-kind contribution.
- 3.5 It should be emphasized that all countries participating in the FTAA process incur considerable expenses with respect to the negotiations. *[Information deleted]*. Countries finance the preparations of their delegations, and travel tickets and per diem for continuous rounds of negotiations in Mexico. A number of countries also incur considerable costs in relation to the Ministerial and TNC Vice-ministerial meetings.*[Information deleted]*. In sum, the financial burden of the FTAA process is already relatively high for the countries of the region, and particularly for the smaller economies. It is anticipated that all countries will incur increased expenses, as the meetings of the FTAA Entities will meet with greater frequency during the phase leading up to the conclusion of the negotiations.

#### **IV. EXECUTING AGENCY AND MECHANISM**

##### **A. Executing Agency**

- 4.1 The present operation will be implemented following the same execution structure for the previous operation (ATN/SF-8202-RG). The Executing Agency will be “NAFIN, S.N.C. as Trustee of the Trust Fund for the FTAA Administrative Secretariat”. The Trust Fund for the FTAA was created pursuant to Mexican legislation on November 14, 2002 and will continue during the implementation of this project. This mechanism, which has been in operation since March 2003, has proved satisfactory.
- 4.2 NAFIN, S.N.C. in its capacity as Trustee of the Trust Fund for the FTAA Administrative Secretariat will be mainly responsible for the following: (a) managing the Trust Assets (basically the project contributions) so that they are used to provide logistical and administrative support to the FTAA negotiations through the AS; and (b) hiring the necessary consulting services, procurement of the relevant goods and services, rental of moveable and immoveable property and payment of expenses and liabilities arising from the Trust purposes.
- 4.3 The Bank will sign a Technical Cooperation Agreement with the “Estados Unidos Mexicanos”, through its “Secretaría de Hacienda y Crédito Público”, “Nacional Financiera, S.N.C.” as Trustee of the Trust Fund for the FTAA Administrative Secretariat.”, the Executive Director of the FTAA and the “Secretaría de Economía”.
- 4.4 NAFIN, is a Development Banking Institution that operates in accordance with the rules of its own Organic Law, in accordance with the Law of Credit Institutions (Ley de Instituciones de Crédito) and the rules issued by the National

Banking Securities Commission (NBSC - Comisión Nacional Bancaria y de Valores) of Mexico.

- 4.5 The main objectives of NAFIN are to promote the integral development and modernization of the industrial sector with a regional approach; stimulate the development of financial markets and act as financial agent of the Federal Government of Mexico in the negotiation, contracting and management of credits from abroad. The principal sources of NAFIN resources are loans from international development institutions such as the International Bank for Reconstruction and Development (IBRD), the IDB, lines of credit from foreign banks, and the placement of securities in the international and domestic markets.
- 4.6 NAFIN has been engaged in trust activities since its very creation in the early 1940's. Some of the advantages of NAFIN as Trustee are: its national and international prestige as trustee; its broad experience in the elaboration and operation of different trust schemes; and its participation in more than 500 national trusts and mandates for over 300,000 million pesos, which amount places NAFIN as the largest trust entity of Mexico (see: [www.nafin.com](http://www.nafin.com)).

## **B. Execution Mechanism**

- 4.7 The Executing Agency will be responsible for: (i) managing the project activities; (ii) contracting the goods and related services as well as hiring the consulting services of the project; (iii) overseeing the performance and handling of the budget according to established procedures; (iv) processing requests for disbursements of the Bank's contribution; (v) preparing the balance sheets on resources used, and; (vi) preparing administrative and technical reports for the Bank.
- 4.8 Project supervision will be the responsibility of the Bank's country office in Mexico (COF/CME). COF/CME will consult closely with the Bank's Integration and Regional Programs Department (INT) on all technical matters.
- 4.9 The Executing Agency will continue to be responsible for maintaining suitable accounting of finances, internal control and filing systems, so as to allow for identification of the sources and uses of Program funds. The accounting system will be organized in such a way as to provide needed documents, facilitate verification of transactions and allow timely preparation of financial statements and balance sheets. Program-related records will be filed in such a way that: (i) amounts received from different sources can be identified; (ii) Program expenses are reported according to a chart of accounts previously approved by the Bank, differentiating between contributions from the Bank and funds from other sources; and (iii) pertinent details for identifying goods purchased and services hired are included, along with the use made of the goods and services. The Executing Agency will also open separate and specific accounts for administering the contribution of the Bank and the local counterpart funds. Lastly, the Executing

Agency will process the requests for disbursements and the related expense statements according to the Bank's disbursement procedures.

**C. Project Implementation Readiness**

- 4.10 This operation is a follow-on operation to ATN/SF-8202-RG and, as such, all necessary infrastructure for the AS and a certain level of consultancies are already in place. In addition, all necessary steps have been taken to ensure continuity of the trust mechanism set up for project execution.

**D. Execution and Disbursement Schedule**

- 4.11 The execution period of the Program will be 6 months and the period for disbursements will be 9 months. The Bank will establish a revolving fund up to 25% of the total IDB contribution. Both OAS and ECLAC contributions will be transferred directly to the Executing Agency.
- 4.12 The total cash contribution of the Government of Mexico will be distributed, as a donation, to the assets of the Trust for the AS.

**E. Procurement**

- 4.13 The contracting of all consulting services and the acquisition of goods and services will be carried out by the Executing Agency in accordance with the Bank's policies and procedures in these matters. Due to the specialized nature of the activities of the AS, the professional expertise and knowledge of the consultants carrying out those activities and the time involved in training new consultants, as well as to ensure continuity of the FTAA negotiating process, some key AS consultants presently providing services are expected to continue under this new Program. These consultants have already passed through a competitive process of selection in accordance with the Bank's rules and procedures (Procurement Manual GS-501 to GS-503) and have received satisfactory evaluations. As such, it is recommended to continue their services without carrying out another competitive process. All new hires will be contracted following the Bank's standard rules and procedures.

**V. MONITORING AND EVALUATION**

- 5.1 The Executing Agency will submit a final report, during the 60 days following the final disbursement of the Program's resources, summarizing the AS's activities phase and the application of funds contributed by the Bank, counterpart and co-financed sources.
- 5.2 Within the 90 days following the final disbursement of the Program resources, the Executing Agency will prepare a final financial statement to submit to the Bank relating to the Bank's contribution, co-financing and the local counterpart funds. A firm of independent auditors acceptable to the Bank will audit the financial



statement. The cost of the audit will be paid for with funds from the Bank's contribution, and selected according to Bank procedures.

## **VI. PROGRAM BENEFITS AND RISKS**

### **A. Benefits**

- 6.1 The FTAA negotiating process is complex and strenuous, but promises to yield important benefits in terms of its final aim. The continued operation of the AS, which has provided critical support to the process over the last several years, will ensure that the process can continue on track when negotiations resume.
- 6.2 Through its provision of translation, document, interpretation and conference services, the AS provides the necessary infrastructure for the FTAA negotiations while allowing participating countries to dedicate their (often limited) financial and human resources to the substance of the negotiating process. The AS guarantees internal transparency by ensuring that all documents are circulated to the relevant delegates in each of the negotiating groups. It also provides a level playing field for all the countries participating in the FTAA negotiations by ensuring that documentation is distributed in both negotiating languages simultaneously. In this respect, the AS is of particular benefit to the smaller economies in the region, whose costs of participating in the process would be unmanageably high if they could not count on the services of the AS. In its capacity as the official archive of the negotiations, the AS is moreover responsible for preserving the legislative history of the process, which will later serve to interpret hemispheric implementation of the final agreement. Finally, in addition to the Bank's membership and active participation in the Tripartite Committee, the project will strengthen the Bank's role as an important facilitator in the process of regional economic integration.

### **B. Risks**

- 6.3 Given the, at times, delicate nature of the FTAA process, the principal risk is that no clear sign of resumption of negotiations is received prior to program initiation scheduled for July 1, 2005 *[information deleted]*.
- 6.4 Should the negotiations resume, another risk is a further temporary interruption of the negotiating process. *[Information deleted]*.
- 6.5 The success of the AS will hinge to a considerable extent on the professional skills of its service providers to facilitate FTAA negotiations logistical, administrative and language support. To ensure maximum quality in this respect, the Bank will participate actively in the various selection processes.

**C. Environmental and Social Impact**

- 6.6 Because of the nature of the project, no adverse environmental impact is foreseen. With regard to direct social impact, through its provision of conference, translation, interpretation and document services, the AS is of particular benefit to the smaller economies in the region, whose costs of participating in the process would be unmanageably high if they could not count on the services of the AS.
- 6.7 Through its contribution to the formation of a free trade area between 34 countries of the Americas, and thus the facilitation of greater access to larger markets for the lesser-developed countries of the hemisphere, the project to support the AS is expected to have an indirect positive social effect.

**D. Institutional Feasibility**

- 6.8 Due to the fact that the AS has been satisfactorily providing services analogous to those required under this operation, and under similar conditions, during the years that the FTAA negotiating process has been located in Miami and in Panama, no problems of an institutional nature are foreseen.

**E. Beneficiaries**

- 6.9 The beneficiaries will be the 34 countries participating in the FTAA process.

## Annex I

### A. Logical Framework

### B. Support for the Administrative Secretariat of the Free Trade Area of the Americas (FTAA)

### C. Mexico 2005

Project	Indicators	Means of Verification	Assumptions
<b>Objective:</b> To support the creation of the Free Trade Area of the Americas (FTAA)	1. Increased international trade and investment flows among the countries of the Hemisphere and with third countries.	1. Trade and investment statistics.	A global economic environment which is conducive to trade liberalization.
<b>Purpose:</b> To provide efficient and effective support to the FTAA Negotiations through temporary administrative and logistical support to the process.	1. Logistical support for <i>[information deleted] plenary</i> meeting-days of the FTAA entities and <i>[information deleted]</i> meeting-days dedicated to market access negotiations between individual countries during the period July 2005 – December 2005.	1. Activity reports, feedback from FTAA delegates and TPC members, together with a final report.	Within the Hemisphere, a political commitment to the negotiation process.  Economic policies which are compatible with the future FTAA.
<b>Products:</b>  FTAA Administrative Secretariat established and functioning in an effective and efficient manner towards the project's purpose.	Effective and efficient organization of translation and interpretation services for the meetings Effective and efficient coordination of the meetings' logistics, including venues, equipment, document processing, etc. Timely reproduction of documents and effective and efficient organization of a comprehensive FTAA filing system.	1.1 Activity reports and feedback from FTAA delegates & TPC members. 1.2 Periodic reviews by the TNC's Sub-Committee on Budget and Administration. 1.3 Mission reports from the regular TPC visits to the Secretariat as part of the support for the negotiations.	Availability of top quality external services
<b>Activities:</b> 1. Hiring of additional FTAA Administrative Secretariat personnel in Mexico.	Budget performance	Activity reports; financial reports; financial audits	Non-IDB financial contributions are made in accordance with the projects' co-financing scheme.

*[Information deleted]*

[illegible]

