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## ACTIVITY FACT SHEET

# Central America: Regional Trade and Market Alliances (RTMA) Project

**Funding Level**  
\$15.2 million

**Duration**  
2013 – 2016

**Geographic Scope**  
El Salvador, Guatemala, Honduras, Nicaragua, Costa Rica, Panama

### Key Partners

- Secretaria de Integración Económica Centroamericana (SIECA)
- Centro Agronómico Tropical de Investigación y Enseñanza (CATIE)

### Activity Implementing Partner

Nathan Associates Inc.  
Development Alternatives Inc. (DAI)  
Trusted Trade Alliance (TTA)  
Zamorano Pan American Agricultural School

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## OVERVIEW

The USAID Regional Trade and Market Alliances (RTMA) project supports Central American countries to attain inclusive economic growth through intraregional trade and exports. The project focuses on trade in agricultural products. The project's goal is to establish consolidated regional value chains and improve market access for critical commodities through more robust market alliances and increased trade facilitation, regional harmonization and institutional capacity, specifically to:

- **Develop critical agricultural value chains**, link small and medium producers to regional and export markets, and consolidate intraregional value chains to leverage underutilized trade opportunities and open other opportunities in new niche markets
- **Improve trade facilitation and regional trade capacity** by strengthening private sector capacity and regional institutional capacity to advance harmonization of customs procedures, trade administration, border management, transportation, logistics and other trade-related mechanisms

## FOCUS AREAS

### Value Chains

RTMA is supporting agricultural research to improve quality and food safety along several agricultural value chains.

- **Value chain innovation.** Project technicians carried out fieldwork to guide the preparation of quality and food safety specifications for the tomato, potato, plantain, and onion value chains.
- **Knowledge management and sharing tools.** RTMA is working to revamp an existing online regional market information system for agricultural commodities. Project technicians analyzed the availability of key market information, identified the needs of key stakeholders along value chains, and will recommend potential information and communications technology (ICT) solutions for hosting and disseminating information among stakeholders. It is also supporting the Executive Secretariat of Agricultural Council of Central America to improve strategic alignment among agriculture ministries in the region.

### Trade Facilitation

RTMA is helping the Secretariat for Economic Integration in Central America (SIECA) to develop and implement its strategic plan, including a major overhaul of internal procedures for economic policy-making. The project assisted Costa Rica in establishing a National Committee on Trade Facilitation by drafting legislation to design and establish the committee, which is currently under consideration by the national assembly. The project worked with the Inter-American Development Bank to introduce and implement five ICT-related solutions to facilitate trade in the Central America region, including: (1) establishing pre-arrival procedures; (2) coordinating and streamlining immigration controls; (3) streamlining electronic plant and animal health certificates; (4) using radio frequency identification equipment to track trade; and (5) installing cameras to analyze service demand at border crossings.

### Partnerships with Civil Society Organizations and Donors

RTMA regularly coordinates with USAID bilateral missions, other donor projects, and local stakeholders to maximize results. It has signed 10 memoranda of understanding and collaborates with strategic partners, including: universities, government agencies, the World Bank and Inter-American Development Bank, and national and regional private sector and non-governmental organizations.

### Innovation and Capacity Building through Grants

RTMA's \$6.2 million grants program supports activities that (1) foster innovation in value chains; (2) build the capacity of producers' organizations; (3) promote investment and create commercial alliances; (4) increase the competitiveness of small producer groups and small and medium enterprises in intra-regional markets; and (5) establish public-private partnerships and strengthen dialogue.

## IMPACT

- Awarded grants to 19 organizations worth \$5 million to support value chains and to three organizations totaling \$1.2 million to support trade facilitation. The value chain recipients are largely producers associations, ten of which are projected to increase exports by an average of 76 percent by the end of the grants period of performance. The trade facilitation recipients are implementing an online trade facilitation certification and leadership course for both the public and private sectors and helping to implement World Trade Organization Trade Facilitation Agreement provisions. One grantee is creating an ICT platform to publish border time and cost data on web and mobile platforms to improve transparency, accountability, and informed public-private advocacy.
- Implemented a proposal of norms for the National Committee for Trade Facilitation (COMEX) and five trade-related regulations.
- Strengthened SIECA's institutional capacity and helped draft its internal rules and administrative manuals.
- Signed memoranda of understanding with 32 organizations supporting trade facilitation and value chain development that will adopt project recommended best practices and computer systems.
- Established a regional-buyer-seller alliance between DILOSA, a red bean processor based in Nicaragua, and producers in Guatemala, El Salvador, and Nicaragua. The project expects to facilitate the signing of 15 contracts and identify 20 links between small producers and small enterprises by the end of the project's base period.
- Selected 6,265 small producers and 40 producer organizations to participate in the regional and export value chains both directly and through the grants program.
- Conducted 52 trainings and events with a total of 15,232 training hours offered to 1,286 participants on trade and investment capacity building.
- Launched an online Central American Trade Facilitation Leadership program to be offered by local educational centers in Central America and will train individuals on the trade and investment enabling environment.

## A DECADE OF USAID REGIONAL TRADE PROGRAMS IN CENTRAL AND SOUTH AMERICA

Support for U.S. trade objectives has been a main driver of USAID's Central and South America regional trade initiatives. USAID's projects have worked to help equip U.S. free trade agreement (FTA) partners to prepare for and implement the comprehensive and high standard commitments of these agreements. The broad objectives of U.S. free trade agreements in the region include the elimination of tariffs and removal of barriers to U.S. services; fostering a predictable legal framework for investors; and strengthening protection for intellectual property, workers, and the environment. This promotes stronger trade and investment ties, prosperity, and stability throughout the region.

In 2005 the U.S. Congress passed the implementing legislation for the Dominican Republic-Central America FTA (CAFTA-DR), a free trade agreement between the United States, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. By 2009 CAFTA-DR had entered into force in all partner countries. In South America, similarly the United States pursued both bilateral and regional trade and economic objectives through FTAs with Colombia, Peru, Ecuador, and Bolivia. In addition to the broad objectives of reducing and eliminating foreign barriers to trade and investment, the Andean FTAs seek to create the economic foundation necessary to support democracy and fight drug activity. The efforts yielded the United States-Peru Free Trade Agreement (2009) and the United States-Colombia Trade Promotion Agreement (2012).

USAID has employed both regional trade projects and bilateral projects supportive of regional objectives in helping FTA partners develop the capabilities to implement and benefit from the agreements. CAFTA-DR requires significant reforms of the import-export environment as well as transparency and efficiency in administering customs procedures including rules of origin. USAID implemented a suite of three regional projects and two bilateral projects to assist partner countries in meeting these commitments. These USAID projects – listed below -- were also designed to advance and reinforce bilateral program efforts in support of partner countries' national development objectives.

- Central America-Dominican Republic Free Trade Agreement Implementation Project (2007-2012)
- CAFTA-DR Bilateral Trade Program in El Salvador (2006-2010)
- Cooperative Agreement for Compliance with Rules of Origin and Customs Procedures (2006-2010)
- CAFTA-DR Regional Trade Program Project (2007-2012)
- The USAID-USDA Participatory Agency Program Agreement for Sanitary and Phytosanitary Standards (2004-2011)

USAID implemented similar regional projects in South America to support implementation of U.S. FTAs, strengthen trade capacity throughout the region and support national development objectives. These USAID projects included:

- Andean Regional Trade Capacity Building Program (2005-2006)
- Peru And Andean Trade Capacity Building Program (2010-2013)

Collectively USAID's CAFTA and Andean projects addressed a wide range of technically demanding areas, reflecting key FTA chapters including Labor, Intellectual Property, Trade Facilitation, Administrative Simplification, Technical Barriers to Trade, Medicines, Telecommunications and SPS. Given the range of objectives, the projects employed a full complement of assistance mechanisms, including workshops, seminar and training events; studies; technical advisory assistance to improve institutional capacity and enhance public-private sector dialogue; embedded advisors, and grants. Also of importance was USAID's role in some projects in coordinating with – and in the case of USG agencies providing logistics for – other donor organizations – notably the European Union, InterAmerican Development Bank, World Bank, and others. The broad coverage of U.S. FTAs led to USAID projects engaging with a broad range of partner country trade and economic agencies.