

A.4 SCOPE OF WORK

TRADE CAPACITY BUILDING PROGRAM

1. PURPOSE

The purpose of this contract is to provide, for a base period of two years (24 months), with an option for an additional year (12 months), the technical assistance, training, outreach, small grants¹ and administrative and logistic support required to improve the capacities of the Andean countries of Colombia, Ecuador, Peru and possibly Bolivia for increased trade and investment in the region. The assistance will be provided for the implementation of two programs:

- PART A: Andean Region Trade Capacity Building (Andean TCB) Program:** USAID's Andean TCB Program increases trade and investment through the participation of Colombia, Peru, Ecuador, and possibly Bolivia, in global, regional and/or bilateral Free Trade Agreements. Assistance will largely, though not exclusively, focus on a core of technical areas including Technical Barriers to Trade (TBT), Labor Law Enforcement and Outreach, and Intellectual Property Rights (IPR) Enforcement and Outreach. These core areas for TCB assistance were identified during the U.S. – Andean countries Free Trade Agreement (FTA) negotiations and in recently updated Andean TCB National Strategies. The core technical areas also address the content of corresponding agreements in the World Trade Organization (WTO) and the International Labor Organization (ILO).
- PART B: Micro and Small Enterprise Facilitation Program (MYPE Exporta).**- USAID/Peru's MYPE Exporta, second phase of USAID/Peru's CRECER (Creating Conditions for Economic Revitalization) project, is intended to address the systemic constraints that inhibit trade and investment, which result in high transaction costs and inefficiencies for the private sector, especially for Micro and Small Businesses (MSEs). MYPE Exporta will provide assistance to 1) design and implement general policy and regulatory reforms, which include streamlining requirements and procedures to facilitate formalization of MSEs and their access to GOP and private sector financial and businesses development services (technical and market information, financial, quality control, marketing, distribution); and 2) establish clear roles and responsibilities for the public agencies involved in providing services, particularly those related to facilitate direct or indirect exports from MSEs. Activities implemented by the contractor in both areas will build upon lessons learned from current and previous USAID efforts, including the USAID/EGAT/WID Greater Access to Trade Expansion (GATE) project implemented by Development & Training Services, INC (DTS), which is assisting the mission to incorporate gender considerations into its trade-related and economic growth programs.

The contractor will provide a team of highly qualified experts in the above identified assistance areas and other areas to deliver technical assistance, training and other types of support (participation in forums, study tours, policy discussions, and grants management). For Regional TCB activities, support will be provided on a multi-country basis where economies of scale exist, where the sharing of experiences among the countries will improve impact, and where equal compliance with trade agreements' commitments exists. Country specific activities will deepen regional programs or provide further complements to bi-lateral activities.

¹.Once the deviation for this basic IQC is approved, grants under contract will be authorized under this award.

To the extent possible, technical experts will be drawn from the region so that regional institutions are strengthened, local expertise is expanded, and capacity is built to address structural problems in these key areas. The Contractor can establish sub-contracts with local and/or Andean-region-in-scope firms in one or more FTA Andean countries to enlist consultants, support technical assistance for short-term and medium-term projects in the Specific Activity Scopes of Work (SOWs), and otherwise support implementation efforts.

2. STATEMENT OF WORK – SPECIFIC

PART A: ANDEAN REGION TRADE CAPACITY BUILDING (TCB) PROGRAM

1. Purpose

The USAID Andean TCB Program consists of two main components: 1) enhancing the technical capacity of Andean countries (Colombia, Ecuador, Peru, and later Bolivia) to implement a Free Trade Agreement (FTA) with the United States, and 2) increasing regional compliance with, and the utilization of, the rules of trade emerging from trade negotiations, and those established in other existing/interim/future trade agreements, e.g., the World Trade Organization (WTO) and the Free Trade Area of the Americas (FTAA). The program is designed to increase the ability of these countries to take part in trade negotiations, implement the rules of trade and seize the opportunities offered by international trade.

2. Goal

The goal of the Regional TCB Program is to strengthen the capacity of Andean countries to expand trade and investment. Activities in the areas of TBT, IPR, and Labor will be most effective if they complement other USAID TCB programs, if they are based on a consensus achieved throughout government and civil society, and if they strengthen collaboration with other TCB donors in the region.

3. General Program Parameters

The following general parameters are provided to help define the specific team of experts (including recognized local experts and, if required, firms in each one of the countries) that will provide the services needed to address the Andean countries' requests. In the context of the FTAA negotiations the countries presented their national TCB and regional strategies to the Consultative Group on Smaller Economies. More recently in September, 2005 during the FTA Cartagena round countries presented at the request of the USTR an updated version of their TCB National Strategies to act as framework for decisions in the Andean FTA TCB Committee during the negotiations and later during the implementation of the FTA.

4. General Methodology

This contract will provide a rapid and effective response to implement activities in core TCB areas and other areas that have been identified in the FTA negotiations and that are relevant in the context of WTO and ILO agreements. While the core areas have been identified, and some short-term activities have been approved and are in the process of being initiated, other activities to be covered under this SOW are yet to be specifically defined. The process of defining and approving the activities is iterative, involving the CTO, USAID Andean Missions TCB Officers, USTR, U.S. Government Agencies, Andean countries TCB representatives, and Andean Governments Ministries and Agencies.

The TCB areas that have initially been identified as core priorities for the Regional TCB Program are Technical Barriers to Trade (TBT), Labor Law Enforcement and Outreach, and Intellectual Property Rights (IPR) Enforcement and Outreach; areas in which all target countries require assistance. Activities which address common needs in these core areas will be prioritized while all activities will be designed to complement ongoing bilateral activities in the participating countries. Activities will also respond to demands originating from Andean country public and private stakeholder entities that have encountered a constraint to doing business under the FTA and which are channeled through the Andean FTA TCB Committee². The following steps are illustrative of how activities will be identified under the Regional TCB Program:

- a) The Peru-based CTO and USAID Missions will identify TCB activities and will develop and fully vet project summaries in the TCB Committee. The permanent FTA TCB Committee plans to meet twice a year.
- b) The Contractor, with guidance from the involved USAID TCB officer, will develop the specific SOWs for TCB activities.
- c) The Activity SOW will be used to define the work details and costs of activities. Written approval of the Activity SOWs must be obtained from the CTO in order to authorize the contractor to be reimbursed for the costs of implementing the activity.

The types of assistance the Contractor will deliver include, but are not limited to, technical assistance, training, study tours, sub-grants and logistics and administrative support.

5. Activities, Deliverables and Expected Results

The Andean Region TCB Program contributes to USAID/Peru's Special Objective 530-001: Participation of the Andean Countries in Free Trade Agreements with a performance goal of increased trade and investment achieved through market-opening international agreements and further integration of developing countries into the trading system.

The Special Objective is supported by Intermediate Results that the contractor will achieve: (1) Country Capacity Strengthened to comply with and Utilize Existing WTO and Emerging FTAA/FTA Related Rules of Trade, and (2) Regional Capacity Strengthened to assist Countries in Preparing for FTAA-FTA Related Trade Negotiations. Activities to be implemented will include outreach, policy reform, technical assistance, and training. Outreach programs will ensure accuracy in the flow of information and the transparency of the process. Making certain that each country's population, opinion leaders and policy makers are aware of and involved in the broader process of the FTA negotiations will ensure that each country has sufficient support for the negotiation of the agreements and to undertake the measures that will enable it to benefit from improved market access. Supporting the adoption of reforms to increase competition and strengthen key institutions is necessary to ensure that the countries are able to enforce and benefit from the signed agreement. Technical assistance to improve processes, strengthen

² The Andean FTA agreements include a permanent Trade Capacity Building Committee, in recognition of the importance of such assistance in promoting economic growth, reducing poverty, and adjusting to liberalized trade. Technical assistance and training programs discussed by the Committee include programs to assist implementing the obligations of the agreements and more broadly benefiting from the opportunities it creates.

oversight, and implement standards among the Andean region countries are but some of the areas which are envisioned for assistance. Three technical areas have been selected as the core focus of this contract, TBT, Labor Enforcement and Outreach, and IPR Enforcement and Outreach. Other areas may be added as needs are identified.

Specific Regional TCB Program activities will be developed and approved within the context of the ongoing negotiations and under the implementation of the FTA agreement. Expected results for anticipated activities are listed below.

On an semi-annual basis, the Contractor and the CTO shall develop a work plan that identifies the specific activities planned to achieve the anticipated results set forth herein. The planned targets to be achieved and deliverables to be delivered shall be formally incorporated into this contract on a semi-annual basis following approval of the semi-annual work plan. Each activity approved by the CTO will contain explicit results and indicators which will contribute to the expected results of the Program. The following are the core areas identified and illustrative expected results to be achieved by the contractor.

5.1 Technical Barriers to Trade

Standards and Technical Barriers to Trade (TBT) were identified as priority areas for trade capacity building (TCB) technical assistance. An analysis was conducted on the current situation regarding the four Andean countries' implementation of TBT obligations under the WTO and those anticipated under the United States-Andean Free Trade Agreement. The assessment focused primarily on obligations regarding transparency and notification, standards development procedures, issues related to conformity assessment, and the responsibilities of the national accrediting organizations.³

The analysis examined important standards-related issues, such as legislation, private sector awareness, methodological practices and quality control. By looking at the full spectrum of the complex standards and conformity assessment systems, the analyses identified shortfalls in all standards-related areas and provided suggestions on possible activities/solutions that are most appropriate at this time and that could be undertaken through the TCB Regional Program, USAID bilateral programs or by other donors. The analysis took into consideration current or anticipated activities of other donors and agencies, in particular the European Union (EU) - Andean Community project, and the U.S. National Institute of Standards and Technology (NIST) technical assistance programs.

The analysis identified four major activities that would address common shortfalls in all four countries and that could be administered in a cost efficient manner at a regional level. These activities build upon each other and therefore have been categorized into short term and medium term phases. Some of the short term activities are currently being implemented and will continue to be addressed by the Contractor. The four major activities are:

1. Improving the Transparency and Notification of Technical Regulations (Short Term)

Expected Results: a) Andean Regulatory Agencies prepared to develop technical regulations that are consistent with the TBT Agreement; b) Improved interagency

³ See the "Final report: Analysis of the implementation of TBT obligations and recommended strategic solutions in Peru, Ecuador, Bolivia, and Colombia" prepared by the CRECER TCB Regional Program; an electronic version of the report is available upon request to USAID/Peru.

communications regarding technical regulations; and c) Conformity with transparency and notification obligations under the TBT Agreement.

2. Private Sector Outreach/Awareness Building (Short Term)

Expected Results: a) Private sector (goods and services) and the government aware of conformity with standards and technical regulations, and conformity assessment procedures; b) Private sector informed regarding methods for investigating standards or technical regulation requirements in a given market and certifying conformity; and c) Private sector is aware of national procedures for developing voluntary and obligatory standards and is aware of how these standards strengthen competitiveness.

3. Strengthening Laboratory and Testing Facilities.

Expected Results: a) Trained laboratory personnel to implement ISO 17025; and b) ISO 17025 system in selected laboratories implemented and select laboratories accredited. Strengthening Accreditation Bodies through assistance in applying ISO 17011 requirements and by training evaluators on ISO 17025 principles.

Expected Results: a) ISO 17025 auditors certified; b) Labs are accredited; and c) National accreditation organizations are recognized by regional and international accreditation organizations.

5.2 Labor Enforcement and Outreach ⁴

The basic objective of the labor chapter under U.S. bilateral FTAs including the current negotiation with the Andean countries of Colombia, Ecuador, Peru and Bolivia (as an observer) is to re-enforce each countries' obligations and commitments under the International Labor Organization's "Declaration on Fundamental Principles and Rights and Work and its Follow-Up (1998)." These rights include: freedom of association; rights of assembly and collective bargaining; prohibition of forced labor; elimination of the worst forms of child labor; elimination of discrimination in the workplace; and, ensuring legally mandated conditions for minimum wages, hours of work and occupational safety and health. Such a commitment on the part of the Andean nations will place greater scrutiny on their respective labor policies, practices and enforcement systems.

In the area of inspections, Colombia and Peru have developed inspections policies and systems that are far more developed and coherent than those in Bolivia and Ecuador. In the latter case, the two countries require policy and legal changes to bring together an *ad hoc* system of laws and decrees that creates duplications and serious inefficiencies in the inspections systems. Despite the differences, findings identify a number of common deficiencies that should be addressed in all four countries. These include:

- a reactive, demand driven inspections system that merely responds to petitions, instead of monitoring workplaces and proactively promoting compliance;

⁴ The contents of this section are based on the "Project Report: The Identification of Possible Technical Assistance Activities in Inspection and Labor Rights Promotion for the USAID Andean Regional Trade Capacity Building (TCB) Program" prepared by the CRECER TCB Regional Program; an electronic version of the report is available upon request to USAID/Peru.

- inadequate access to and use of data to ensure universal and random inspections as well as an efficient use of scarce human resources; and,
- severe shortage of inspectors and high rates of attrition due to a lack of specialized training and promotion opportunities.

In response to the above, four areas were identified. Activities in some of the areas are currently being implemented and will continue to be addressed by the contractor.

1. Strengthening and modernizing labor and occupational safety and health (OSH) inspection system through new models and procedures.

Activity 1.1: Design and develop a suitable Labor and Occupational Safety and Health (OSH) Inspection System.

Expected Results: Based on a survey of best practices in labor and OSH inspection systems, a labor and OSH inspection model formulated with inputs from relevant executive authorities and key social agents. Technical (organizational), financial and legal feasibility studies to assimilate the labor and OSH inspection model completed for each of the Andean Countries, together with a human resource management manual

Activity 1.2: Design a strategy to implement the new inspection systems.

Expected Results: Framework established with key stakeholders which outlines changes required to implement the new inspection systems; including key activities to be addressed regionally and, where necessary, bilaterally.

Activity 1.3: Design, develop and implement applications for labor and OSH inspections.

Expected Results: a) Labor and OSH inspection application designed, with inputs from relevant authorities and key social agents; b) Applications installed, c) Software user and maintenance manuals produced; d) Standardized, digital instruments (forms, guides and manuals) produced; and e) Personnel trained in the use of the software and of the digital instruments.

2. Supporting legal and organizational reform.

Expected Results: a) Inspection policy drafted and consensus obtained with key public, private and social agents; b) Inspection law (or high ranking legal decree) drafted and consensus obtained with key public, private and social agents; c) Best-suited institutional organization framework to implement new inspection model-type designed and consensus obtained with key public, private and social agents.

3. Implementing management tools to professionalize the inspections corps.

Expected Results: a) Training program to ensure consistent inspections process established, b) Pilot program implemented to evaluate training effectiveness and provide feedback for the plan; c) Basic training of inspectors established, design of specialized and/or ongoing training programs completed; d) Improved awareness among inspectors regarding national and international standards, including OSH.

4. Designing, developing and implementing applications for a regional labor-advisory-service to promote compliance and best practices for a safer working environment.

Expected Results: a) Regional labor-advisory-service network designed and applications (regional center and national nodes) installed; b) Personnel at each national node, housed within each labor administration authority, trained; c) Network user and maintenance manuals produced; d) Improved outreach to historically hard to reach sectors, particularly the informal sector and small/micro enterprises.

Complementary to providing technical assistance and training to comply with obligations and commitments under international labor treaties, increasing awareness of labor legislation among workers and employers is needed to improve workplace conditions and reduce non-compliance. Implementation activities are to be framed within the strategy produced during the first phase and include training activities, upgrading of current dissemination instruments and activities, a pilot demonstration of decentralized information dissemination modules (call centers among others), implementation of a media communications strategy, and coordination of activities.

1. Strategy for Dissemination of Labor Legislation and Fundamental Labor Rights

Expected Results: a) Outreach strategy developed; b) Implementation plan outlined that includes designated financial and management responsibilities.

2. Design a system of information centers in order to reach a population that would otherwise have difficulty in obtaining access to the labor administration services (e.g. small and micro enterprises and the informal sector).

Expected Results: a) Historically hard to reach businesses in the informal economy and small and micro enterprises are provided with information; b) Employers and labor force are better informed regarding labor rights and best practices to establish a safer working environment.

3. Strengthening Capacities to Implement a Dissemination Strategy

This component includes two activities to strengthen the capacities of Ministries of Labor to implement the dissemination strategy:

- a. Production and execution of a training plan regarding dissemination of labor legislation, with emphasis on fundamental rights.

Expected Results: a) Training plan and documentation developed that will ensure continuity beyond the duration of the assistance; b) Training and outreach to all sectors and areas in each country established.

- b. Upgrading current dissemination instruments, focusing on a system of phone consultations (e.g. call centers) and a web site.

Expected Results: a) More effective and consistent dissemination systems established; b) Improved access to a wider audience, including the informal sectors and small and micro enterprises.

4. Implementation of the Strategy to Disseminate Information

Two activities are included under this component:

- a. A pilot implementation of the decentralized modules designed in #2 that includes monitoring and evaluation of results.

Expected Results: a) Usefulness of the decentralized modules validated; and b) Improvements to the design of the decentralized modules identified.

- b. Implementation of a media communications strategy.

Specific elements of this activity are: design and production of the material to be disseminated (by radio, TV, and written media) and a pilot implementation of the strategy.

Expected Results: a) Core labor standards disseminated through mass media; b) Media made more sensitive about the core labor standards

5.3 Intellectual Property Rights Promotion and Outreach among Micro, Small and Medium Enterprises (MSMEs), Public Institutions and Private Organizations

Observance of Intellectual Property Rights (IPR) is a key objective of the US in its FTA negotiations. It is, however, a source of popular misinformation, fear and resistance among the FTA Andean countries. All four countries are on the USTR Special 301 Watch List for IPR deficiencies. All suffer from piracy and weak IPR enforcement in both the executive branches and judicial systems. IPR obligations under a FTA will require increased acceptance by the private sector (specially micro, small and medium enterprises - MSMEs) as well as strengthening of public facilitation and enforcement agencies and IPR-related private organizations.

1. Expected results are:

- Patents and trademarks are identified by MSMEs as a valuable tool for product identity and differentiation;
- MSMEs contribute as an organized body to IPR enforcement;
- Patent and trademark registration process simplified and accessible to MSMEs;
- Number of patents owned by MSMEs in regard to their recipe, process condition, or processing techniques increased;
- Progress achieved in withdrawing the countries from the USTR Special 301 Watch List.

In all of the TBT, Labor and IPR areas above, outreach and constructive dialog with civil society on free trade agreements is an important element of TCB.

6. USAID Andean Missions Bi-Lateral Financing of Activities

The majority of financing for this activity will be provided through USAID/Peru's Special Objective 530-001: Participation of the Andean Countries in Free Trade Agreements. However, Andean Mission's may decide to finance specific activities in their countries using funds from bi-lateral Strategic Objectives. Activities financed by SOs other than 530-001 will be consistent with the "General Program Parameters" component described above. The contractor will need

to maintain disaggregated financial records and results reporting for activities financed by other SOs. The CTO - in consultation with the corresponding country USAID Mission staff - will advise the contractor as these requirements arise.

PART B: MICRO AND SMALL ENTERPRISE EXPORT FACILITATION PROGRAM (MYPE Exporta)

1. Goal

The goal of MYPE Exporta is to create an environment that will foster exports from micro and small businesses, especially to the U.S., in order to take advantage of the preferential conditions negotiated under the Peru Trade Promotion Agreement (PTPA).

2. Purpose

MYPE Exporta is expected to reduce informality and organize services to facilitate access to foreign markets, especially the U.S., for an increasing number of micro and small enterprises (MSEs). The percentage of exports attributable to women-owned and men-owned MSEs will increase. The number of jobs generated/maintained by exporting women-owned and men-owned MSEs will increase.

As the second phase of the Creating Conditions for Economic Revitalization in Peru activity (CRECER)⁵, MYPE Exporta is intended to address the systemic constraints that inhibit trade and investment, which result in high transaction costs and inefficiencies for the private sector, especially for MSEs. An enabling environment will increase investment opportunities and contribute to the improvement of businesses' efficiency and productivity, which will in turn provide the basis for better salaries, increased consumption and growth.

3. Activities, Deliverables and Expected Results

MYPE Exporta contributes to achieve USAID/Peru's Strategic Objective No.10 - Increased Economic Opportunities for the Poor; Intermediate Result (IR) No.1: Improved Enabling Environment to Promote Economic Growth, Trade and Investment. Specifically, it will contribute to the sub-IRs 1.1 Improved Policy, Legal and Institutional Framework and 1.2 Improved Trade Framework.

These objectives will be achieved by establishing inexpensive and straight-forward procedures which reduce transaction costs and contribute to the establishment of a stable and transparent operating environment. Efficient interaction between GOP entities that provide administrative services to MSEs is a prerequisite for the creation of productive and formal MSEs capable of benefiting from access to expanded market opportunities. Increases in MSE productivity also require expanded access to government and private sector business development services. The efficiency of these services will be demonstrated in increased earnings for MSEs and an expanded tax base.

MYPE Exporta implementing contractor will provide assistance to 1) design and implement general policy and regulatory reforms, which include streamlining requirements and procedures to facilitate formalization of MSEs and their access to GOP and private sector financial and

⁵ See project details at www.crecerperu.com

businesses development services (technical and market information, financial, quality control, marketing, distribution); and 2) establish clear roles and responsibilities for the public agencies involved in providing services, particularly those related to facilitate direct or indirect exports from MSEs. Activities implemented by the contractor in both areas will build upon lessons learned from current and previous USAID efforts, including the USAID/EGAT/WID Greater Access to Trade Expansion (GATE) project implemented by Development & Training Services, INC (DTS), which is assisting the mission to incorporate gender considerations into its trade-related and economic growth programs.

On a semi-annual basis, the Contractor and the CTO shall develop a work plan that identifies the specific activities planned to achieve the anticipated results set forth herein. The planned targets to be achieved and deliverables to be delivered shall be formally incorporated into this contract on a semi-annual basis following approval of the semi-annual work plan. The following are the core areas and illustrative expected results to be achieved by the contractor.

3.1 Regulatory

a) General Approach

The GOP has been relatively successful in passing legislation and regulations but falls short in the implementation of the same laws and regulations. Compliance is often weak due to limited resources, uneven enforcement, incomplete understanding, and cultural biases. Often times procedures add transaction costs, do not provide service or benefit in exchange, make the process much more complicated, and are clearly a source of corruption.

At the regulatory level, MYPE Exporta will provide assistance to simplify procedures and regulations, and facilitate the formalization of MSEs by reducing the related transaction costs. Simplification and other micro reforms are complicated to implement and require a high degree of political leadership and vision. In order to generate the required leadership, MYPE Exporta will prepare diagnostics and proposed reforms, foster debate around the proposed reforms, and then, once sufficient leadership is evident, will assist in implementing the reform.

It is noted that just before the contractor arrives, a new President and Congress, as well as Regional Presidents, will have been elected. Priorities are unlikely to have been identified, and the GOP will be in the process of learning about the issues and developing an agenda. The activities below and indeed the areas of intervention are illustrative. USAID Peru, in conjunction with the US Ambassador, will work with the GOP and the contractor to identify areas of intervention and to prioritize activities within those areas.

MYPE Exporta will use communications, including newspaper articles, TV interviews, workshops, seminars, and public hearings to help to generate consensus as to how to move forward. More general messages concerning the benefits of reducing informality and its impact in accelerating growth and increasing government revenues will also be necessary. In certain cases, it may be important to implement limited interventions aimed at demonstrating to authorities and to the public the efficacy and impact of implementing the specified reform.

Once the necessary political will is demonstrated, MYPE Exporta will provide subsequent training and strengthening of institutions to help to implement the reform.

b) Areas of Intervention

Three main areas of intervention are described below; however, other areas, including facilitating subcontracting agreements; improving and reducing the cost of brokering (e.g. financial cost of sales tax); and facilitating the organization of producer associations for exports, may also require support.

1. Credit

Credit is an important component of any business and efficient intermediation of resources is a prerequisite for a healthy economy. USAID/Peru has been involved in supporting more efficient intermediation since 1995 and has significantly contributed to expanding the microfinance industry in Peru.⁶ Despite recent gains there is a general perception that the cost of credit, especially for MSEs, is still too high. MYPE Exporta will focus on specific factors that contribute to increase risk and perceptions of risk, and thus increase the cost of lending for MSEs.

1.1 Access to information on borrower's performance / Collateral registries

The lack of sufficient information on the borrower greatly increases risk/cost as the borrower's past performance in honoring her/his/its debts is an important factor in better gauging the borrower's reliability. Unfortunately, there have been several attempts to reduce the time period in which unpaid debts could be included in the information credit bureaus keep about personal and corporate credit performance.

Together with information on the borrower's acceptable performance, the types of guarantees that can be provided by the borrower are an additional favorable factor for a positive assessment of the requestor's capacity to repay the debt⁷. The recently approved Fungible Collateral Guarantees Law No. 28677 has ordered the merger of the different registries that exist for different types of guarantees: for the mining sector, for the agricultural sector, for real state, for fisheries, etc. Implementation of this law will greatly facilitate the assessment of the requestor's ability to pay by showing that her/his/its assets are not already pledged to another lender. Congress has also recently reestablished blanket guarantees, which allow creditors to establish guarantees with a financial institution and continue to use it for additional credits once the first is repaid. Until now, the law required the establishment of guarantees for every new credit.

In order to inform the general public about the benefits of maintaining and accessing borrower's credit histories, the risks of the government arbitrarily fixing interest rates, the importance of having access to transparent information about the borrower's collateral and other financial issues that strengthen or weaken financial markets, MYPE Exporta will design a campaign that discusses these issues and promotes the publication of expert opinions in the national press.

1.2 Registering property.

⁶ Under a Cooperative Agreement with the *Consortio de Organizaciones Privadas de Promoción al Desarrollo de la Micro y Pequeña Empresa* - COPEME's "Microfinance Initiative" unit, technical assistance has been provided to microfinance entities to formalize operations, to improve their financial services, to design new products to better target MSEs, and to reduce the cost of accessing information from credit risk bureaus. Increased competition has reduced cost/interest rate. Continuing to increase the productivity of microfinance entities will contribute to increase their sustainability and more importantly will continue to reduce costs through increased competition. See www.copeme.org.pe for more information.

⁷ In Peru, financial institutions bestow high importance to collateral as part of their credit evaluation procedures. The importance of collateral is directly proportional to the size of the loan (cash-flow lending is not an established practice).

Registering property is also complicated and expensive. There are several types of registers that are not recognized by the others and which prevent property from being used as collateral. For instance, property titles issued by the *Comision de Formalizacion de la Propiedad Informal* (COFOPRI) are not recognized by the commercial banking sector. Most banks (MIBANCO is an exception) do not trust the title as it is based on possession and not ownership. Improving property registration, together with other types of registries will improve formality and access to credit. MYPE Exporta will assess the limitations financial institutions find in property titles not registered in the National Public Registry, propose reforms to facilitate the access of MSEs to credit with real state collateral, and foster debate around the proposed reforms.

1.3 Cost to collect collateral

The interest rate is also negatively affected by the long, complicated, and risky process of foreclosing on guarantees. According to the World Bank's "Doing Business", it takes an average 381 days and costs an average of 35% of the value of the debt to collect collateral. Hence, facilitating the enforcement of contracts by reducing the number of procedures and cost to collect collateral will reduce the cost of credit, which is especially necessary to those who have the least access to it. MYPE Exporta will propose reforms to accelerate the process of foreclosing on guarantees and will foster debate on the benefits of the proposed reforms from an MSE perspective.

1.4 Potential counterparts and Expected results

MYPE Exporta will evaluate collaborating with the Superintendence of Banks (SBS), associations of microfinance entities (Cajas Municipales, Cajas Rurales, EDPYMEs) and COPEME's microfinance unit, to provide support to develop the necessary changes to improve the transparency of the debtor's performance and paying capacity, to improve the collection of collateral and registering property described above. These interventions will reduce the cost for the best clients and set an example to all others. In general, they will contribute to the reduction of the average interest rate for MSEs.

Expected Results

- Increase access to credit by expanding the scope, accessibility, and quality of credit information in public and private credit bureaus. Integrating collateral registries.
- Reduce the cost of credit and enforcement of contracts by reducing the number of procedures and cost to collect collateral.

Indicators

- Increase in the number of MSEs having access to credit (within one year of being registered) from formal financial institutions.
- Reduction in the average interest rate for MSEs.

2. Administrative Simplification

Peru has performed very poorly under the Millennium Challenge Account -MCA's business registration indicator. According to the World Bank's report "Doing Business," businesses on average require more than 100 days to register a business. A significant number of these days (45 on average) are the result of trying to attain a municipal operations license. Other components such as the firm's by-laws, tax registration and employer registry account for the additional number of days and add cost to the formalization process. MYPE Exporta will provide support in the following areas.

2.1 Business registration

In collaboration with the Ministry of Labor (MOL), USAID's CRECER initiated pilot projects in three municipalities (the first of which started early in 2004) to reduce the time and cost of issuing an operations license. After eight months of work, Villa Maria del Triunfo municipality reduced the time to issue a license from more than three months to five days and the registration fee was reduced by half. Registrations have increased, and revenue from granting licenses has doubled. USAID has also worked with the Comas municipal government and the Sullana provincial municipality with similar success. Based on USAID experience, the MOL's Center for the Promotion of the Micro and Small Enterprise- PROMPYME⁸ is now developing legislation to establish uniform procedures for the Municipal Operations License that would be applied at a national level. The delay and cost to obtain a municipal operations license is a basic impediment to formalization that is widely recognized by both the government and the public. Thus, encouraged by USAID, several entities formed the Working Group for the Simplification of Municipal Business Procedures, known as Intermesa⁹, to work together to simplify business registration. Intermesa is led by the Office of the President of the Council of Ministers (PCM) and includes PROMPYME, the CNC, the MOL, the National Institute for the Defense of Intellectual Property and Consumer Rights- INDECOPI, ILO, USAID, the World Bank's International Financial Corporation (IFC) and other public and private entities working in similar activities. Intermesa has started to implement a plan to provide technical assistance to municipalities to establish administrative simplification. The plan includes training consultants, coordinating the support of international donors, assisting interested municipalities, and a communication campaign highlighting the benefits of administrative simplification. CRECER is currently providing assistance to design the tool kit for future administrative simplification consultants, and, in partnership with the MOL, is promoting in major cities information for municipal officials describing the simplification process and its benefits. MYPE Exporta will continue to support the implementation of the plan to assist municipalities to simplify registration and other municipal procedures.

2.2 One stop-shop

Given that public notaries are responsible for reviewing and submitting by-laws to the Public Registry to check the firm's name and register it as an entity, it would greatly simplify matters if notaries were also able to register the firm with the National Tax Superintendence (SUNAT) and the Ministry of Labor's Employers' Registry. USAID is providing support to the PCM's SIMTA (Simplification of Administrative Procedures) project to prepare the legal documentation approving this simplified procedure, as well as proposing the corresponding modifications to SUNAT's and Ministry of Labor's systems to adapt to the proposed change. MYPE Exporta will provide the PCM, MOL and SUNAT with additional support to implement the changes.

⁸ See www.prompyme.gob.pe

⁹ See www.tramifacil.com.pe

2.3 Expanding e-Government

In the late 1990s the GOP started a system in which all public entities provide information and manage their budgets and expenditures through an integrated information system. The Integrated Financial Management System (SIAF) gathers information from all government entities, a large portion of which are on-line¹⁰. SIAF is the beginning of an ambitious project to link all public entities through an internet-based system that encourages transparency in the allocation of government revenues and provision of services. The system also aims to facilitate the establishment of standardized procedures for entities with similar responsibilities, e.g. municipalities. Notwithstanding the significant number of public entities with internet access (gob.pe), each entity accesses the government portal through different carriers, which often time limits potential services and increases costs. A government Intranet should be created with sufficient band width to provide adequate access to all levels of government and services at a reasonable cost. The system could be privately managed under a Public-Private-Partnership (PPP). USAID's CRECER first phase provided the PCM with a diagnostic of the connectivity of public entities and recommendations to improve it towards an e-government system.¹¹

As mentioned above, CRECER's first phase is supporting the completion of the SIMTA project, which is the first step towards a one-stop shop for businesses to register to meet national requirements. This concept will have to be broadened to include other registries and services. Also, other "intermediaries" besides the public notaries would need to be included, such as internet booth managers who could train business people in computer usage, as well as provide access services to government on-line services: identification number, tax registry, and interface with regulators such as OSITRAN (transportation), OSIPTEL (telecommunications), OSINERG (energy), etc.

MYPE Exporta will combine efforts with other multilateral and bilateral donors to design standardized processes and formats to facilitate municipal registration on-line. The service would be designed to facilitate expansion and interface with other public entities.

2.4 Potential counterparts and expected results

MYPE Exporta will continue to work closely with the PCM, Intermesa, the MOL and others to continue the process of simplifying administrative procedures. A key factor to keep in mind in this matter is the political will of authorities.

In close collaboration with the PCM and MEF's SIAF management, MYPE Exporta will arrange joint support from donors to design standardized procedures and formats for municipalities and other public entities to facilitate the access of MSEs to their services and expedite procedures. Building on CRECER's first phase consultancies, support would be provided to facilitate investment decisions related to the establishment of an Internet broad-band to consolidate all on-line government services and procedures.

Expected Results

¹⁰ Currently, 600 national and regional public entities and 739 local governments manage their payments and accounting through SIAF. USAID's PRODES project has provided access to SIAF for more than 100 local governments. See www.prodes.org.pe

¹¹ Peter T. Knight, Maria Alexandra Cuhna, Solon Lemos Pinto, Michael Kincaid, Uri Bar-Zemer, Wagner Ikeda, Mejoramiento de la Capacidad del Gobierno en el Perú a través de E-Gobierno y Conectividad de Banda Ancha. USAID/CRECER, May 2004, see www.cecerperu.com

- Facilitate the formalization of enterprises by simplifying business registration in municipalities.
- Reduce time and costs by simplifying national procedures required to register and operate an enterprise. Integrate public notaries as points for a simplified system of licensing and registry (labor, tax).
- Save time and money by simplifying procedures required to register property.
- Expand the use of E-government; streamlining procedures and increasing transparency (standard procedures and formats).

Indicators

- Number of MSEs registered.
- Number of days to register a business.
- Number of Municipalities that have implemented simplified registry systems.
- Number of public notaries participating in the integrated registry system.
- Reduction in the cost and time required to register and license businesses.
- Increased number of government entities providing services to MSEs through e-government network.

3. Government Procurement

The Peruvian government is the biggest buyer of goods and services. The GOP's goods and services budget for 2006 is some S/.20 billion (almost \$5.9 billion), 52% for goods, 33% for services, and 15% for infrastructure. Only 180,000 of the 2.5 million businesses which exist in Peru participate in government procurement actions. Access to bid on government procurement opportunities is a good incentive to formalize however the incentive is negatively impacted due to the lack of transparency in the process and onerous registration requirements (to establish the enterprise and for eligibility).

3.1 Suppliers' Registry

The Superior Council for Government Procurement (CONSUCODE) dictates that firms interested in participating in government procurement bids have to be registered in the National Suppliers' Registry¹². The registry is centralized in Lima and has to be renewed every year, which creates additional burden, especially for MSEs. To reduce costs and increase transparency, this registry should be linked to other registries or replaced with a list of firms that are disqualified to supply goods or services to government entities because of negative past performance.

3.2 PROMpyme government procurement window for MSEs.

PROMpyme has played an important role in compelling public entities to publish their procurement plans. Some 70% of them already provide this information and pressure continues to exist to improve the transparency of the government procurement system. The PROMpyme website facilitates access to information on the small purchases of public entities which do not require a public bid. This is a useful information tool for all businesses, but especially MSEs, and should be strengthened making sure that all government entities publish their procurement

¹² This was previously a requirement only for large infrastructure consultant and construction engineering firms but was recently extended to all bidders in government procurement actions.

information in it.

3.3 Certification system for MSEs.

COPEME has developed a system which certifies businesses following certain basic Total Quality Management principles; principles which demand a set level of efficiency in operations and quality in the products or services provided. Ideally, all business interested in a similar type of certification should have access to the systems at a reasonable price. A well recognized system, or number of systems, should facilitate MSEs access to participation in public bids and should reduce the need for the cash deposit businesses currently have to make to ensure compliance with the award. Improved productivity and recognition of this productivity would also greatly expand opportunities for subcontracting with firms supplying the government or export markets.

3.4 Potential counterparts and Expected results

In close collaboration with CONSUCODE, PROMpyme and COPEME, MYPE Exporta will provide support to develop the identified changes mentioned above and others to facilitate MSE access to government procurement actions.

Expected Results

- Improve CONSUCODE's National Suppliers' Registry to include a Disqualified Suppliers Registry.
- Strengthen PROMpyme government procurement webpage for MSEs.
- Develop a national certification system for MSEs.

Indicators

- Increase in the number of MSEs bidding in government procurement actions.
- Increase in the number of certified MSEs accessing supplying government entities.

3.2 Institutional

At the institutional level, the program will work in the following illustrative areas:

1. Improving Government Coordination

Autonomous entities such as PROMPYME (Commission for the Promotion of Small and Micro Enterprises) or PROMPEX (Commission for Export Promotion) are specifically created to provide services such as technical assistance, organizing marketing events or facilitating subcontracting. However, ministries implement a variety of promotional programs of limited value which overlap with those of the autonomous entities. By establishing clear roles and responsibilities within the various government agencies related to MSE support, government resources will achieve greater impact¹³. MYPE Exporta will work at the institutional level with the GOP to improve the coordination among government entities that provide support to small and micro businesses.

2. Leveraging Regional Resources

¹³ A recent example is Intermesa (described above), a coordination body headed by the PCM, in charge of coordinating efforts towards simplification of municipal procedures for municipal business registration.

Another institutional area is the establishment of mechanisms at the regional level which will foster entrepreneurial abilities and facilitate access to business development services. The business development services that the USAID-supported PRA and COPEME projects provide are an essential component to expanding the productivity of businesses in mountain and jungle regions of Peru; areas with the highest levels of poverty and extreme poverty¹⁴. These services help to build confidence and reduce risk, facilitating the establishment of relationships and the expansion of investment in the regions.

Regional governments, especially those with strong mining activity within their regions (which largely occurs in areas of high poverty), have received important financial resources from the mining sector royalties. These regional governments have the legal mandate and the interest of promoting investment and trade in their regions. However, they lack the experience and the manpower to carry out this obligation. Assisting regional governments to utilize their resources in a way which both satisfies their political aspirations and meets the needs of MSEs is a challenge. Based on the regional competitiveness indicators designed to measure the competitive environment in Peru's regions, MYPE Exporta will consider providing support to some regional governments with high poverty levels to improve their attractiveness for investment and to increase trade.

Regional governments, through their already existing investment promotion and MSE assistance units, could provide services to link local producers with processors and traders, organizing producers as well as the provision of technical assistance. Governmental entities such as PROMPYME, PROMPEX and/or the CITEs (Technological Innovation Centers) could provide the necessary technical assistance. Direct assistance from regional governments, however, can be subject to political manipulation and corruption, distorting the purpose of the program and discrediting the whole concept of assistance provided by government entities. To generate credibility, regional governments could consider implementing a trust fund which would finance technical assistance and other services. A private-public technical board could evaluate and approve proposals from investors, processors or traders interested in developing activities in the regions.

3. Leveraging private resources

Large private companies, especially large mines are interested in contributing to the prosperity of the region they work in. This interest has increased during the current presidential elections process in which poorer populations have expressed their discomfort with the existing large social differences, which they believe are attributable to the large firm's lack of solidarity. These firm's large operations are in themselves important sources of demand. In partnership with their suppliers (sometimes international firms), these companies can provide assistance to MSEs to comply with the technical requirements and quality standards these large buyers demand. In many cases MSEs will in turn demand inputs from the region. Once able to supply such sophisticated and demanding customers as mine suppliers or the mines themselves, MSEs would be in a better position to supply national or international markets.

MYPE Exporta will work with interested large private firms, especially large mining companies, to identify products and services that MSEs can supply directly or indirectly through subcontracting contracts with large suppliers and will identify technical assistance providers to ensure product/service quality is adapted to the requirements of client larger firms. This

¹⁴ PRA identifies potential buyers (either processors or traders) and links them with producers in the regions PRA is in (currently 9 regions). PRA's demand-driven approach makes it easy to determine the quality and volume of the production required, which in turn dictates the type of technical assistance needed. PRA makes sure all components in the productive chain are in place. See www.proyectopra.com for more details.

technical assistance will be financed jointly with the interested private firms via GDA agreements with USAID/Peru.

4. Possible counterparts and Expected Results.

MYPE Exporta will work at the national level with GOP institutions involved in providing services or support to MSEs. At the regional level, MYPE Exporta will work with regional governments and the private sector working in USAID prioritized regions. MYPE Exporta will explore ways of linking PRA, COPEME, PROMPYME, PROMPEX, CITEs and other government technical entities with regional governments and contribute to the advance of regional investment and growth. In addition, MYPE Exporta will work with the GOP and the private sector to explore and promote ways to establish mechanisms at the regional level which will foster entrepreneurial abilities and facilitate access to services.

Expected Results

- Improved coordination among GOP entities that provide services to MSEs
- Improved business environment at the regional level to foster trade and investment

Indicators

- Legal framework passed with clearly defined roles and responsibilities for national, regional, and local government entities to provide support to MSEs.
- Numbers of MSEs with access to government services increases.
- New investments in targeted regions.
- Increased tax collection (as a proxy for increased trade).
- Number of mechanisms established to deliver technical assistance at the regional level.

3. SERVICES REQUIRED

The services required are those necessary to assist USAID to implement TCB regional activities in the Andean Region during FTA negotiation and implementation, and implement the USAID/Peru's MYPE Exporta program in accordance with the above.

(a) General Services

The following general types of services will be required in order to perform the contract:

1. Management/administrative services relating to USAID Andean TCB and MYPE Exporta coordination and activity implementation;
2. Short term technical assistance to package proposed activities;
3. Short-term technical assistance and training resources to implement Andean TCB and MYPE Exporta programs, including but not limited to : technical barriers to trade (including, if required, rules of origin), intellectual property rights, and labor laws and enforcement activities; and institutional and regulatory reforms to decrease transaction costs for MYPEs;

4. Arranging conferences and workshops involving relevant themes to discuss issues, resolve problems and mobilize alliances that support Andean TCB and MYPE Exporta activities;
5. Developing communications and outreach strategies to gain consensus and public support on the reforms proposed;
6. Arranging trips to study best practices in TCB areas in other countries;
7. Developing and maintaining information systems, databases (i.e. FTA negotiations database, etc.), web-sites, e-newsletters, or similar resources to support activities undertaken under this SOW;
8. Administration of grants that would contribute to achieving objectives;
9. Monitoring, Assessments, Reports and other deliverables specified under this SOW;
10. Others the Contractor feels are necessary to fulfill its commitments under this statement of work.

(b) Specific guidelines for the Regional Program

The following guidelines expected to be necessary to conduct the Regional Program:

1. Work with the CTO and USAID TCB Officers to identify constraints and propose solutions with results and indicators for measuring results;
2. Based on the identified regional dimension, outreach, assessment and planning described above, the Contractor will develop in close consultation with USAID, a plan for regional TCB activities. Activities are likely to involve common elements, across countries, and follow-on work which is tailored to the specific needs of the country. The Contractor will analyze if there are gender issues to consider, the extent of its relevance and outline appropriate actions that will be undertaken during implementation;
3. Implementation of TCB activities in the Andean region according to the plan. Areas for TCB activity will include but are not necessarily in order of priority or limited to Labor, Intellectual Property Rights and Technical Barriers to Trade. Activities will also incorporate GATE (Greater Access to Trade Expansion) recommendations to ensure that trade related efforts encompass the poor, and women, to take advantage of the opportunities offered by globalization.

4. PERFORMANCE MONITORING REPORTS AND PLANS

In addition to the services and deliverables required, and the expected results described in the sections above, specific performance monitoring reports and plans are required in the following areas: (a) Workplans; (b) Performance Monitoring Plans (PMPs); (c) semi-annual Performance Monitoring Reports ("PMR"); and (d) final report. The contractor will differentiate in all deliverables, those corresponding to the Regional TCB and MYPE programs

(a) Workplans

Semi-annual workplans. The work plan sections for both the Regional TCB and MYPE programs will identify the proposed interventions, the approximate resources and level of effort required, results to be achieved, benchmarks, indicators and targets, and the time frame. Once the semi-annual workplans and deliverables are approved and incorporated in the contractor, the Contractor will then work with the CTO to further define country and activity-specific work plans and to ensure that available resources are being used in the most efficient manner. Detailed SOWs which include results-based benchmarks, descriptions as to how they will be monitored and evaluated, an analysis as to whether or not there are gender issues to consider

in implementation, and an outline of the roles and responsibilities of key actors will be developed based on the approved work plans.

The first semi-annual workplan will be due within sixty (60) days after commencements of activities under the task order, which is planned for on/about October 16, 2006. Subsequent semi-annual workplans will be presented along with the Performance Monitoring Report and will update activity details, indicators and other performance monitoring requirements keyed to the deliverables set forth in the plan.

(b) Performance Monitoring Plans

The Contractor will have the responsibility for monitoring, collecting information, and reporting on all activity-level indicators, as well as information on the impact of the activities on the Regional Trade Capacity Building SO 530-001; and on the USAID/Peru's SO 527-010 IR1. This will entail the collection of baseline data, regular collection and review of data on performance and the achievement of the activity-level indicators or benchmarks as determined in the various SOWs, an analysis and recommendations to the CTO to determine whether the approaches being followed are adequate to achieve the intermediate results and the SO, and working with the CTO to develop an impact monitoring plan that assures that the data which are needed are available in a timely way and in the correct form. Data will be disaggregated by sex, and geographic location, as appropriate. The monitoring information, quantitative or qualitative, will be gathered and summarized by the Contractor in the below referenced PMR. The PMP will also collect information to report on the USAID Common Indicators.

Separate PMPs, for the Regional Program and for the MYPE program will be submitted to the CTO in draft form no later than 60 days after the initiation of the Contract, which will refine or modify the illustrative indicators that have been included in Sections 3 and 4 and the first-year specific activity indicators. The PMP will be finalized after approval of the initial workplans.

(c) Semi-Annual Performance Monitoring Reports

The Contractor will submit performance monitoring reports (PMRs) summarizing progress, success stories, status of the major activities in process in relation to the workplan and highlighting problems encountered (significant problems along with suggested remedial actions will be brought to the attention of the CTO when they appear). Contractor prepared PMRs will be submitted within 30 days of the six-month periods ending March 31 and September 30. The Contractor will submit five copies of this report to the CTO. In addition to these semi-annual reports the Contractor will submit monthly two-page narratives that outline key progress and major concerns, for both the Andean and MYPE programs.

(d) Special Assessments and Reports

The CTO, through the workplans and/or formal notifications thereto, or through other written direction within the scope of work, can require the contractor to provide special assessments or reports determined to be necessary to achieve the results set forth above. The details regarding the content, timing, and other associated requirements for these assessments and reports shall be defined in the workplan, modifications to the workplan or notification from the CTO.

(e) Grants Manual

In accordance with Section A.21 the contractor shall provide a grants manual for the administrative award of small grants contemplated herein once grants under contract are authorized by OAA in AID/W for the IQC series under which this Task Order is being awarded. This grants manual must be submitted with 60 days of approval for the award of grants under contract under this task order.

(f) Final Report

The Contractor will deliver a final draft report to the CTO in English and Spanish, in both electronic and hard copy versions, not later than 45 days before the estimated completion date of the contract. The CTO will provide comments and/or approval within 15 days of receipt of the draft report. The Contractor will then finalize the report and deliver 5 copies to the CTO and one copy to each country USAID Mission Trade Officer, not later than the estimated completion date of the contract. This report will summarize the major results; notable successes achieved, any problems encountered, and make any recommendations on follow-up activities required.

5. GRANTS UNDER CONTRACTS

Upon modification of the basic IQC, the Contractor shall have the administrative ability to make small grants available for institutional capacity building. Such grants would generally be limited to administrative and start up costs.

6. GENDER CONSIDERATION

To further accelerate poverty reduction, USAID/Peru is receiving support from USAID/W's Greater Access to Trade Expansion (GATE) project¹⁵, which has examined TCB opportunities to mitigate the negative impact of policy reforms needed to facilitate compliance with the WTO and the U.S.-Peru PTPA. GATE will prepare a Trade Impact Review for Peru, based on the PTPA, which will provide recommendations to enhance opportunities for poor women and men to gain from trade liberalization, as well as suggest ways to ameliorate any unintended negative consequences of it. The contractor will need to review GATE findings and relevant lessons learned and apply them to Peru and the other Andean countries.

The GATE team anticipated that gender issues exist in the labor and IPR areas. Thus, it is a requirement that the workplan submitted by the contractor contain analysis of the gender issues for each proposed area of intervention. The contractor will analyze if there are gender issues to consider, the extent of their relevance and outline appropriate actions that will be undertaken during implementation. In the case of labor, for example, in both the FTA and FTAA's negotiations, participating countries are requested to comply with the local labor laws and those commitments that were accepted as signatories of the ILO conventions. TCB services will include country-specific analysis that will identify different forms of discrimination and constraints, in relation to access and conditions of employment, and will propose recommendations.

GATE will conduct a series of assessments and reviews to determine, for instance, if changes in rural labor markets, prices, time-use for men and women, and terms and conditions of work, as a result trade liberalization, have a significant impact on the welfare and livelihoods of poor men and women. GATE will recommend strategies to enhance opportunities for poor women and men to gain from trade liberalization, as well as suggest ways to ameliorate any unintended

¹⁵ GATE website: http://www.usaid.gov/our_work/crosscutting_programs/wid/activities/womens_economicgrowth_rc.html

negative consequences of trade liberalization actions taken by the GOP. MYPE Exporta will disseminate GATE's findings and recommendations among GOP and private service centers in order to foster an assistance bias in favor of poor populations.

Highland agriculture and handicrafts are predominantly MSE activities. GATE will explore opportunities for integrating information and communication technologies (ICTs) into the handicrafts or agribusiness sectors as a means of increasing market access. It will examine the gender opportunities and constraints for women entrepreneurs to access improved markets through the use of ICTs. Recommendations will be provided to enhance possible benefits derived from the introduction of ICTs. MYPE Exporta will use GATE's findings and recommendations to identify ways of maximizing the utilization of Peru's vast network of internet booths.

GATE will analyze the differential impact that possible changes in legal and regulatory frameworks (as well as trade and investment policies), as a consequence of the recent bilateral trade negotiations with the United States and the need to facilitate compliance with the WTO, could have on men and women, and on male- and female-headed households. Recommendations will be provided to mitigate possible negative impacts. MYPE Exporta's activities in the regulatory area will take GATE's findings and recommendations into consideration.