

REPUBLIC OF NICARAGUA

OPERATIONAL PROGRAM FOR THE
NATIONAL ACTION PLAN FOR INSTITUTIONAL STRENGTHENING

DECEMBER 2002

INDEX

	Page
<u>A. EXECUTIVE SUMMARY</u>	3
<u>B. COSTS OF THE ACTION PLAN</u>	5
<u>C. NEGOTIATIONS SUPPORT PROGRAM</u>	7
1. TRAINING SUBPROGRAM.	7
2. SUBPROGRAM FOR STUDIES AND TECHNICAL ASSESSMENTS.	11
3. RETENTION OF CONSULTANTS AND INTERNS.	21
4. ATTENDANCE AT THE NEGOTIATIONS.	22
5. SUBPROGRAM FOR RAISING AWARENESS IN THE CIVIL SOCIETY, COORDINATION AND CONSULTATION WITH THE PRIVATE SECTOR.	23
6. SUBPROGRAM FOR COMPUTER EQUIPMENT ACQUISITION AND DATABASE CREATION.	26
<u>D. TREATY APPLICATION AND ADMINISTRATION PROGRAM</u>	28
1. TRAINING SUBPROGRAM.	28
2. SUBPROGRAM FOR STUDIES AND TECHNICAL ASSESSMENTS.	34
3. SUBPROGRAM FOR RETENTION OF CONSULTANTS AND EQUIPMENT.	39
<u>E. TRANSITION TO FREE TRADE</u>	41

OPERATIONAL PROGRAM OF ACTIVITIES

EXECUTIVE SUMMARY

Based on the identified needs, the Republic of Nicaragua's National Plan for Institutional Strengthening shall be developed in accordance with the following programs, which shall, in turn, include various subprograms and activities, and an operational plan for each.

The programs to be developed are as follows:

- i. **Negotiations Support Program**, which includes: a) a Training Subprogram, which consists of courses, seminars, workshops and foreign internships to provide training on the negotiation issues for the FTA with the U.S. to officials from MIFIC and other agencies and ministries related to the negotiations and trade policy, including, where appropriate, members of the private sector and the civil society, b) a Subprogram for Studies and Technical Assessments to facilitate the preparation and evaluation of negotiation proposals and their impact on the domestic economy, c) the retention of consultants and interns to provide support to the negotiating teams, and d) financing for the negotiators to attend the negotiating group meetings.

Similarly, there is a Subprogram for Dialogue and Consultation with the Civil Society. It includes 1) organizing public events for government sectors and members of the private sector to disseminate information about the benefits of the FTA with the U.S., 2) conducting opinion surveys, 3) designing and implementing a Strategy for consultation, dissemination, and agreement by retaining a specialized firm, 4) training for journalists, legislative consultants and key actors in civil society, and 5) coordination and consultation with the private sector.

Finally, it includes a Subprogram for the Acquisition of Computer Equipment for the negotiations and the application of the Treaty. It includes modernizing the equipment (hardware and software), printers, scanners, etc., as well as creating and/or improving existing Databases.

- ii. **Program for Treaty Application and Administration**, which includes: a) a training subprogram that consists of courses, seminars and foreign internships to provide knowledge and experience related to the administration of trade Treaties, specifically for officials from MIFIC and the technical agencies responsible for implementing the obligations undertaken, b) and a subprogram for the studies and technical assessments required to strengthen the ability to apply the agreements.
- iii. **Program to support the transition to free trade with the U.S.** It includes activities aimed at: a) creating a pro-trade environment, b) attracting direct investments and promoting the country's image abroad, c) promoting and integrating SMEs in the development process and diversifying exportable supply, d) promoting the most dynamic districts from an economic standpoint as a criterion for allocating resources, e) raising competitiveness levels, using national as well as sectorial strategies, f) developing an Infrastructure and Transportation Plan based on the needs established by the FTA and foreign trade in general, g) campaigns for disease eradication, and h) modernizing systems and equipment related to plant and animal health and quality.

COSTS OF THE ACTION PLAN PROGRAM

PROGRAMS	SUBPROGRAMS	COST US\$
1. Negotiations Support		
1.1. Training, Studies, Assistance	1.1.1. Training	192,316
	1.1.2. Studies and Technical Assessment	596,400
	1.1.3. Retention of Consultants and Interns.	820,000
	1.1.4. Attendance at the Negotiations.	1,780,000
SUBTOTAL		3,388,716
1.2. Raising Civil Society Awareness	1.2.1. Explanation and Promotion of the FTA	180,000
	1.2.2. Coordination with the private sector and the Civil Society	72,200
	1.2.3. Program for Consultation and Dissemination (Retention of a specialized firm)	2,000,000
	1.2.4. Opinion Surveys.	60,000
	1.2.5. Training for journalists, legislative advisors and key social actors).	80,000
SUBTOTAL		2,381,200
1.3. Equipment and Databases.	1.3.1. Equipment	90,400
	1.3.2. Databases	33,000
SUBTOTAL		123,400
TOTAL		5,893,316
2. Treaty Application and Administration.	2.1. Training.	170,100
	2.2. Studies and Assessment.	208,500
	2.3. Consultants	462,000
	2.4. Laboratory Equipment/Supplies	10,000,000
TOTAL		10,840,600
3. Transition to Free Trade.	3.1. Development of a pro-trade environment.	
	3.2. Development of the most dynamic districts	

	3.3. Development of SMEs.	
	3.4. Program for increasing Competitiveness.	
	3.5. Investment Attraction.	
	3.6. Infrastructure and Transportation Plan.	
	3.7. Disease Eradication.	US\$ 300 million
	3.8. Modernization of Sanitary, Phytosanitary and Quality Systems.	
	3.9. Good Manufacturing Practices Program	US\$ 220 million
TOTAL	.	

1.NEGOTIATIONS SUPPORT PROGRAM

1.1.SUBPROGRAM FOR NEGOTIATIONS SUPPORT TRAINING

Problem

In general they seek to strengthen and widen officials from the public and private sectors in certain issues on the negotiation agenda . It is also necessary, to widen an efficient technical training in the various exercises now underway . On the other hand, the future incorporation of assistant college graduates, without further experience and the increasing complexity of the technical aspects of the trade problem, along with the incorporation of new issues, makes it necessary to establish a specific training process during the negotiations.

Objective

To implement a Training Subprogram that includes courses, workshops, seminars and foreign internships for strengthening the staff's analysis ability and technical background, for the sake of efficiently and effectively handling the negotiation of the FTA with the U.S. The Subprogram will be aimed at providing and strengthen English-language training, technical training, and specific abilities for topics of negotiation for junior personal as much as MIFIC negotiators, officials from other ministries and members of the private sector.

Activities

- Workshop on interpreting, processing and reporting trade statistics.
- Courses on the negotiation of specific origin rules and requirements, and internships in the Mexican Secretary of the Economy for 3 officials on this issue.
- Course on the multilateral Agreement on Technical Barriers to Trade.
- Course on the WTO SPS Agreement, the OIE agreements and the International Agreement on Phytosanitary Protection and regional agencies that operate in this framework.
- Internship abroad for 3 officials for training in Normalization, Metrology, and Compliance Assessment.
- Workshop for public and private sector officials on U.S. government procurement law.
- Seminar on negotiating the FTA on Competition Policy.
- Internships for training on competition policy in Mexico, Peru and the United States.

- Theoretical-practical workshop on Intellectual Property negotiations.
- Seminar workshop on the United States Millennium Law. Administration and application.
- Workshop on new applications, copyrights and related rights.
- Seminar on investment studies done by the OECD.
- Workshop on Investment Promotion in the U.S.
- Course on the Dispute Settlement Mechanisms of ICSID, UNCITRAL and CNUDMI.
- Theoretical-practical workshops on negotiations, with emphasis on negotiating techniques and especially on drafting and presenting proposals for training personnel from the Institutions involved with labor and environmental issues.
- Workshops with officials and technicians from the Business Sector and Government relating to exportable products under the FTA. The areas to consider will be: **Normalization:** Technical Regulations, TBT Administration. **Metrology:** Verification of Measuring Instruments affected by Technical Regulations, Improvement of the Quality of Measurements of Mass, Volume, Temperature and Pressure. **Accreditation and Certification:** Requirements for Accrediting Calibration Laboratories, Verification Units and Certification Agencies
- English courses for 40 officials.

Operational Plan for the Training Subprogram

CATEGORY	ACTIVITIES	TIMETABLE		RESPONSIBLE ENTITY	US\$
		MONTH	DURATION		
Processing and managing information	1 Workshop for interpreting, processing and reporting trade statistics.	4	3 days	National Consultant	3,000
Rules of origin	2 Courses on negotiating specific origin rules and requirements	3 & 4	1 week each	International Consultant	11,400 ¹
	Internships in Mexico for 3 officials on this topic	2	15 days	Execution Unit	14,100 ²
Technical Standards	1 Course on the multilateral Agreement on Technical Barriers to Trade	2	3 days	International Consultant	5,300

¹ Calculation based on US\$ 5,200 per course (Fees 4,000, Px.700 and travel expenses 200x 5 days)

² Each internship was calculated at a value of US \$ 4.700 (Px US\$600, travel expenses 260x15 days=US\$4,100).

Sanitary and Phytosanitary Measures	Course on SPS, OIE and regional agreements.	3	3 days	International Consultant	5,300
	Overseas internship for 3 officials for training in Normalization (Mexico), Metrology (Chile), Compliance Assessment (Uruguay)	Dates being negotiated with the countries.	15 days	Execution Unit	14,100
	2 Workshops with officials and technicians from the Business Sector and Government relating to exportable products under the FTA.	7 & 8	3 days	International Consultant	10,600
Competition Policy	Internships in Mexico, Peru & the United States for 6 officials	4	7 days each	Execution Unit	15,120
	Seminar on negotiating Competition Policy in the FTA	4 & 6	1 week each	International Consultants	11,400
Government Procurement	2 Workshops on U.S. government procurement law and implementation of a future transparency agreement in the WTO.	2	2 days	International Consultant	10,200
Intellectual Property	Seminar workshop on the Millennium Law of the U.S. Administration and its application.	2	3 days	International Consultant	5,300
	Workshop on new applications, copyrights and related rights.	3	2 days	International Consultant	5,100
	1 theoretical-practical Workshop on Intellectual Property negotiations	2	3 days	International Consultant	5,300
Investments	Seminar on OECD investment studies.	5	2 days	International Consultant	5,100
	Workshop on Investment promotion in the U.S.	4	2 days	International Consultant	5,100
	Course on Dispute Settlement Mechanisms under ICSID, UNCITRAL and CNUDMI.	3	2 days	International Consultant	5,100

Labor and environment	1 theoretical-practical Workshop for training personnel from the Institutions involved (MIFIC, MARENA and MITRAB) on the issue of negotiations, with emphasis on negotiating techniques and preparing and presenting proposals.	3	3 days	International Consultant	5,300
Languages	English courses for 40 officials.				55.496 (*)
TOTAL					192.316

(*) Budgeted based on the information provided by MIFIC as per the following table:

BUDGET FOR ENGLISH COURSES

Institution	Groups	Individuals	Unit Cost / Course	Unit Cost / Book	Cost of Books	Total Cost
European Academy	Beginner	10	2850	29	290	3140
	Intermediate	10	6270	42.5	425	6695
	Advanced	10	5700	42.5	425	6125
* Total Amount U.S. Dollars						15960

* No taxes are imposed on educational institutions

Advanced English Course Abroad

Institution	Individuals	Unit Cost / Course	Total Cost
Courses in England	10	3500	35000
Total Amount U.S. Dollars			55496

Course Length: two weeks

* Exchange Rate 1.5856

1.2.SUBPROGRAM FOR STUDIES AND TECHNICAL ASSESSMENTS IN SUPPORT OF THE NEGOTIATIONS

Problem

MIFIC and the other agencies involved in the FTA negotiations with the U.S., requires the availability of studies on a variety of issues relating to those negotiations which should serve as a basis for the reformulation of strategies, presenting proposals and evaluating those presented by the other side. In this way it will reach higher levels of efficiency in the execution of the responsibilities.

Objective

Develop a Subprogram for Technical Assessments and Studies in accordance with the existing demands and needs in negotiation of the FTA with the U.S., providing to public sector officials, especially those from MIFIC, basic information, analysis and recommendations for decision making, favoring the identification and evaluation of national interests and developing negotiation proposals.

Activities

- Technical Assessment aimed at developing a methodology and training for preparing position papers on sensitive products (sugar, meat, rice, milk, wheat flour, coffee, beans, corn, sausages, onions, oil, potatoes, leather, footwear, textiles, clothing, etc).
- Updating studies on the effective protection of productive sectors.
- Analysis of the impact of the FTA according to general equilibrium models on the productive sectors of the Nicaraguan economy.
- Study of the tax impact of trade liberalization and recommendations on alternative sources of tax revenue.
- Technical study on the position of sensitive products in Nicaragua (basic grains, meat and dairy products, vegetables, fruits, peanuts, sugar, sesame seeds).
- Analysis of the bilateral trade agreements negotiated by the United States in light of Nicaragua's priority and sensitive products.
- Technical study on the quantified impact on products of interest to Nicaragua (sugar, peanuts, dairy products) of export subsidies and domestic support applied by the United States.
- Information and analysis of domestic and foreign tax obligations, technical standards, customs and non-customs regimes applied by the United States, broken out by agricultural products of interest to Nicaragua.
- Information on domestic and foreign mechanisms the United States uses for administering tariff quotas.

- Analysis and evaluation of the United States' consultation process with Government institutions, the private sector and civil society.
- Studies on the United States' sanitary regulations relating to products of animal origin (beef, dairy products and their derivatives), plant origin (papayas, mangos, peanuts, coffee, bananas) and food safety.
- Study on the production structure of priority, sensitive export sectors for determining rules of origin (sugar, meat, rice, milk, wheat flour, coffee, beans, corn, sausages, onions, oil, potatoes, leather, footwear, textiles, clothing, etc).
- Definition of rules of origin. Consistency between the FTA and the FTAA.
- Study on the efficiency, weaknesses and strengths of the NAFTA Dispute Settlement mechanism.
- Analysis of the United States' implementation of decisions arising from NAFTA and WTO dispute settlement mechanisms (procedure, problems).
- Study of theory based on arbitration decisions within the NAFTA framework
- Analysis of the implications of a Government Procurement Agreement in negotiation of the FTA with the U.S.
- Realization of a study and subsequent workshop on the application of U.S. Copyright Law, with emphasis on moral law and the application of TRIPS.
- Study-workshop on the Madrid agreements on the issue of Industrial Property.
- Study aimed at evaluating current access to the sectors of interest in the United States where there is a large Hispanic population, including regulations on the movement of physical persons (Miami, Houston, Los Angeles, Washington D.C., among others).
- Study on the distribution rate in the telecommunications sector and identify possible opportunities for Nicaragua in this sector.
- Prepare a diagnostic for the Nicaraguan services sector, based on indicators that reveal the impact of openness over time (similar to the methodology used by UNCTAD).
- Study to identify the services and other sectors that have export potential, taking into account what was established in the GATS definitions (4 types of provision).
- Study identifying opportunities for obtaining advantages derived from unilateral opening processes (autonomous liberalization), taking into account the Special and Separate Treaty established in GATS.
- Design a statistical information system on services, using international classification systems as a reference.

- Prepare a study aimed at identifying potential environmental services exports, and the behavior of the world market in this sector, including an analysis of the mechanisms for entering this market.
- Identify services related to fostering the tourism sector, which could be developed from Nicaragua.
- Identify the areas of interest for Nicaraguan products that could eventually be subject to application of a safeguard measure, and for products from the United States that could injure the national industry.
- Technical assessment for preparing a document defining Nicaragua's position in negotiating the Chapter on Safeguards with the United States.
- Study on the procedures for applying safeguard measures in the United States and review of experiences in applying safeguard measures in the United States, Canada and Mexico.
- Technical Study on the United States' application under the WTO Antidumping Agreement (very specific summary of the WTO panels).
- Technical study on U.S. export subsidies, which would address the following: a) general knowledge of the programs implemented, b) mechanisms used (operation and mode of application), c) real effect on production and on exports, d) amounts per year directed at subsidies programs, e) based on United States exports to Central America, a listing of subsidized products that could affect Central American regional production. Hold a one-day workshop for explaining the study to the negotiators involved.
- Application of criteria for establishing Reciprocity Agreements with Accreditation Agencies
- Technical Assessment for support on the issues in the Negotiation of the WTO Agreement and their relationships with the FTA between the U.S. and Central America.
- Study on U.S. labor and environmental law and its effect on Nicaragua's exportable supply.

Operational Plan for the Subprogram for Studies and Technical Assessments

CATEGORY	ACTIVITIES	TIMETABLE		RESPONSIBLE ENTITY	US\$
		MONTH	DURATION		
Institutional consultation mechanisms in the U.S.	Analysis of the United States consultation process with Governmental institutions, the private sector and the Civil Society.	1	1 month	Internat. Consult.	10,000
Tax Impact Study	Study of the tax impact of trade liberalization and recommendations on alternative sources of tax revenue.	1	1 month	International Consultant	12,500
	Analysis of the impact of the FTA according to general equilibrium models on the productive sectors of the Nicaraguan economy.	1	2 months		66,400 ³
Market Access for agricultural and non-agricultural products	Technical Assessment aimed at developing a methodology and training for preparing position papers on sensitive products	1	15 days	National Consultant	6,000
	Updating studies on the effective protection of production sectors.	2	1 month	2 International Consultants and 2 National Consultants	35,000 ⁴
	Analysis of bilateral trade agreements negotiated by the United States in light of Nicaragua's sensitive and priority products.	1	1 month	International Consultant	15,000

³ Calculated based on 2 international consultants with monthly fees of US\$ 10,000, 2 national consultants at US\$ 5,000 per month, US\$ 1,400 per Px. and one week's travel expenses.

⁴ 2 International consultants at fees of US\$ 10,000, 2 National consultants at fees of US\$ 5,000, plus Px. expenses and travel expenses.

	Technical study on the position of sensitive products in Nicaragua (basic grains, meat and dairy products, vegetables, fruits, tubers, peanuts, sugar, sesame seeds)	2	1 month	National Consult.	6,000
	Technical study on the quantified impact on products of interest to Nicaragua (sugar, peanuts, dairy products) of export subsidies and domestic support applied by the United States.	2	1 month	International Consultant	12,500
	Information and analysis of domestic and foreign tax obligations, technical standards, customs and non-customs regimes applied by the United States, sorted by agricultural products of interest to Nicaragua.	1	1 month	Internat. Consult.	12,500
	Information on domestic and foreign mechanisms used by the United States for administering tariff quotas.	1	1 month	Internat. Consult.	12,500
Sanitary and Phyto-sanitary Measures.	Studies on U.S. sanitary regulations on products of animal origin (beef, dairy products and their derivatives), plant origin (papayas, mangos, peanuts, coffee, bananas) and food safety	1	1 month	Internat. Consult.	12,500
Rules of Origin	Study on the production structure of priority and sensitive export sectors for determining rules of origin (sugar, meat, rice, milk, wheat flour, coffee, beans, corn, sausages, onions, oil, potatoes, leather, footwear, textiles, clothing, etc).	2	3 months	International and national consultants	84,000 ⁵

⁵ Calculated based on 2 international consultants at fees of US\$ 7,000, 2 national consultants at US\$ 4,500 and 3 assistants at US\$ 2,000, plus Px. expenses, travel expenses and others.

	Definition of rules of origin. Consistency of the FTA with the FTAA.	5	1 month	International Consultant	12,500
Dispute Settlement	Study on the efficiency, weaknesses and strengths of the NAFTA Dispute Settlement mechanism.	3	1 month	Internat. Consult.	12,500
	Analysis of the United States' implementation of decisions arising from the NAFTA and WTO dispute settlement mechanisms (procedure, problems).	3	1 month	Internat. Consult.	12,500
	Study of theory based on arbitration decisions within the NAFTA framework	4	1 month	Internat. Consult.	12,500
Government Procurement	Analysis of the implications of a Government Procurement agreement within the framework of the negotiations with the U.S.	4	1 month	Internat. Consult.	12,500
Intellectual Property	Realization of a study and subsequent workshop on the application of U.S. Copyright Law, with emphasis on moral rights and application of TRIPS.	3	1 month	Internat. Consult.	17,500
	Technical Study and workshop relating to the Madrid agreements on industrial property.	4	1 ½ months	International Consultant	20,000

Services	Study to evaluate the current access to sectors of interest in the States with a larger Hispanic population, including regulations on the movement of physical persons (Miami, Houston, Los Angeles, Washington D.C., among others).	2	1 month	1 Internat. Consult. & 1 national consult.	23,000
	Study on the distribution rate in the telecommunications sector and identify possible opportunities for Nicaragua in that sector.	3	1 month	National Consult.	6,000
	Develop a diagnostic for the Nicaraguan services sector, from certain indicators that reveal the impact of openness over time (similar to the methodology used by UNCTAD).	2	1 month	Internat. Consult.	17,500
	Study to identify the services sectors and those with export potential, taking into account what is established in the GATS definitions (4 types of provision).	2	1 month	National Consult.	6,000
	Study identifying opportunities to obtain advantages derived from unilateral opening processes (autonomous liberalization), taking into account the Separate and Special Treaty established in GATS	1	1 month	International Consultant	12,500

	Design a statistical information system, for services, using international classification systems as a reference.	3	1 month	Internat. Consult.	17,500
	Develop a study to identify potential for exporting environmental services and the behavior of the world market in this sector, including an analysis of the mechanisms for entering this market.	2	1 month	1 Internat. Consult. & 1 National Consultant	21,000
	Identify services related to fostering the tourism sector, which could be developed from Nicaragua.	2	1 month	1 Internat. Consult. and 1 national consult.	21,000
Safeguards	Identify areas of interest for Nicaraguan products that might eventually be the target of a safeguard measure, and for products from the United States that could injure the domestic industry.	2	1 month	National Consultant	6,000
	Technical Assessment for preparing the document defining Nicaragua's position in negotiating the Safeguards Chapter with the United States.	2	1 month	National Consultant	6,000
	Study on procedures for applying safeguard measures in the United States and review of experiences in the application of safeguard measures in the U.S., Canada and Mexico.	2	1 month	Internat. Consult.	12,500

Trade Defense	Technical study on granting U.S. export subsidies.	1	1 month	Internat. Consult.	12,500
	Technical study on the United States' application under the WTO Antidumping Agreement (very specific summary of the WTO panels).	1	1 month	Internat. Consult.	12,500
Technical Standards	Application of criteria for establishing Reciprocity Agreements with Accreditation Agencies	10	1 month	Internat. Consult.	12,500
	Technical assessment for support on the issues in the WTO Agreement Negotiation and their relationship to the FTA between the U.S. and Central America.	5	1 month	Internat. Consult.	12,500
Labor and Environment	Study on U.S. labor and environmental law, and their effect on market access for Nicaraguan goods and services.	3	1 month	International Consultant	. 12,500
TOTAL					596,400

1.3.SUBPROGRAM FOR SECURING PERSONNEL –AS CONSULTANTS AND INTERNS – TO PROVIDE SUPPORT TO THE NEGOTIATING TEAMS.

Problem

The General Foreign Trade Administration of MIFIC has 33 officials, the majority of them are professionals, and who carry out multiple duties also related to Treaty administration, bilateral trade relations and relations with international organizations. Even though, there is a group of personnel that possesses, in most cases, seniority and experience in negotiations, it is necessary to increase the number of negotiators, especially to bring attention according to the increment of activities from the trade negotiations agenda.

Objective

Provide to MIFIC and specially DGCE, human resources necessities to give answers to increase the international trade negotiations agenda, and particularly the negotiations between the FTA with the U.S.

Activities

For a 12-month period, incorporate 7 consultants to support the DGCE in trade negotiations with the U.S. on the following issues: intellectual property (1), agriculture (2), sanitary and phytosanitary measures (1), technical standards (1), dispute settlement (1) and unfair trade practices (1).

Develop a 12-month internship program for 14 university students to provide support for the negotiators on the issues of market access, technical barriers to trade, agriculture and sanitary and phytosanitary measures, rules of origin, dispute settlement, trade, labor and environmental laws, financial services and telecommunications.---

Operational Plan for the Subprogram for Personnel Retention

CATEGORY	ACTIVITIES	TIMETABLE		RESPONSIBLE ENTITY	US\$
		MONTH	DURATION		
Retention of personnel	7 Consultants	1	12 months	Execution Unit	736,000 ⁶
	14 Interns	1	12 months	Execution Unit	84,000 ⁷
TOTAL					820,000

⁶ Calculated based on fees of US\$ 7,000 per month per consultant and US\$ 2,100 in meeting expenses, based on 10 meetings .

⁷ The basis for the calculation is US\$500 in fees per month.

1.4.SUBPROGRAM FOR FINANCING FOR ATTENDING THE NEGOTIATIONS

Problem

Due to the commitment of Nicaraguan government of reducing the fiscal deficit and attention to the project of social program, the departure budget assigned to MIFIC does not provide the total of financial requirement for the participation of the negotiating team in the different negotiations rounds that takes place outside the country. By the previously mentioned we need a financial support during the process on trade negotiations. Likewise, we can count with the higher efficacy to the market access, integrated to the country in the international organisms with the norms of quality.

Objective

Endow MIFIC from the necessary financial capacity to have the required representation and participation in trade negotiation rounds like FTA with U.S.

Activities

- Establish a specific financing fund to cover accommodations, food and travel expenses for the negotiators and technical officials in the FTA negotiations.
- Support MIFIC and MAGFOR's participation in competent International Agencies on sanitary and phytosanitary matters (OIE, CIPF, CODEX, OMC, ISO, COPANT, IACC), by attending relevant meetings, among other things.

Operational Plan for the Subprogram on Financing Negotiation Attendance

CATEGORY	ACTIVITIES	TIMETABLE		RESPONSIBLE ENTITY	US\$
		MONTH	DURATION		
Support the participation of MIFIC and MAGFOR in (OIE, CIPF, CODEX, WTO, ISO, COPANT, IACC).	Finance the attendance of 4 officials for a total of 20 meetings.	1 in advance for all of the meetings.	about 12 months	Execution Unit	280,000 ⁸

⁸ Cost per person per meeting calculated at US\$ 3,500.(Px. US\$ 1,400, per diem for 7 days at US\$300).

Financing for attending the negotiations	Finance the attendance at 10 negotiating meetings with the U.S. and 10 with Central American partners.		12 months	Execution Unit	1,500,000 ⁹
TOTAL					1,780,000

⁹ Calculation done by MIFIC based on 7 days of meetings, including travel expenses to the U.S. and to Central America for 1 coordinator and another official.

1.5.SUBPROGRAM FOR RAISING AWARENESS IN THE CIVIL SOCIETY, INTER-INSTITUTIONAL AND PRIVATE SECTOR COORDINATION.

Problem

In the last decade Nicaragua has participated in various trade negotiation exercises, especially in the regional framework, whether as a member of the CACM or bilaterally, as in the case of the agreement with Mexico. At present, given the importance of the negotiations with the U.S., it has become necessary a study to strengthen and improve the mechanisms of consultation in relation with the private sector and the civil society working together with the actors most closely tied to the country's international insertion processes in pursuit of the dissemination of the benefits expected from the FTA.

Objectives

To develop and implement a program guided to strengthen and improve the consultation process with the private sector, the civil society, of the population in general, and specifically the key sectors that shape opinions on foreign trade and international trade negotiations. Activities will be aimed especially at the sectors representing defensive interests, whether political or commercial, and representatives of offensive interests (exporting sectors and consumer associations).

Activities

- Organize Public Events in Managua and in the country's interior with experts and high-level foreign authorities, in some cases from countries that have negotiated FTAs with the U.S.
- Organize workshops in the public sector for dissemination information about the upcoming negotiation of the FTA with the U.S., and the mechanics and modalities of inter-institutional coordination.
- Hold seminars for officials from the Ministry of Agriculture and Forestry and the private sector on negotiation issues in agriculture, U.S. negotiation strategy and trade policy with the goal of preparing a consensual strategic framework.
- Organize seminar workshops with officials and members of the private sector to define the strategic framework for negotiating on industrial products of interest to Nicaragua.
- Implement a consultation process through the Services Fora organization, which brings together the different sectors (regulators, lenders, legislators, civil society, private sector, universities, etc.).
- Design and implement an awareness program aimed at the business and governmental sectors on the role played by sanitary and phytosanitary regulations and rules and technical standards, calling attention to the products of greatest interest to Nicaragua.
- Set up a plan for promoting and disseminating information about the FTA with the U.S. directed at government entities, other State powers, the private sector and the civil society by

hiring a public relations firm to design a strategy for disseminating information about the benefits, challenges and opportunities of the FTA, and to generate a positive opinion about free trade.

- Conduct bimonthly opinion surveys to assess public opinion, and to detect the main concerns about negotiating the agreement.

CATEGORY	ACTIVITIES	TIMETABLE		RESPONSIBLE ENTITY	US\$
		MONTH	DURATION		
Explanation and Dissemination of the FTA.	Organization of 4 Public Events for explanation and dissemination with experts and former high officials. In some cases from countries that have negotiated an FTA with the U.S.	2, 5, 8 & 12	1 day each.		80,000
	4 public explanation and dissemination events in the country's interior.	3, 6, 9, 11	1 day each	Invited national and international authorities	100,000
Design and Implementation of a Strategy for Raising Awareness of the Civil Society	Retention of a public relations firm to design the strategy for disseminating the benefits, challenges and opportunities implicit in free trade agreements and to contribute to generating favorable opinions on free trade.	1	12 months		2,000,000
Opinion Surveys	Carry out 6 bimonthly surveys.	2, 4, 5, 8, 10, 12	1 week each	Consultant	60,000

Coordination and consultation between the private sector and the civil society	4 Seminar-workshops for officials from the Ministry of Agriculture and Forestry and the private sector, on negotiation issues on agriculture, U.S. negotiating strategy and trade policy. (Development of a strategic framework agreed by the private sector and technical equipment.)	1, 3, 5 & 7	2 days each	International Consultant	20,400
	Implementation of a consultation process through Services Fora (4 meetings) with the various sectors (regulators, lenders, legislators, civil society, private sector, universities).	2,5,8,11	1 day each		20,400
	4 Seminar-workshops with industrial sectors for defining the strategic framework for negotiations.	2, 4, 6 & 8	2 days each	International Consultant	20,400
Training and dissemination for journalists, legislative advisors and key social actors.	3 seminars for each of the sectors (Total 9), with explanatory material	2	2 days	National and International Consultants	80,000
TOTAL					2,381,200

1.6. SUBPROGRAM FOR THE ACQUISITION OF EQUIPMENT AND DATABASES

Problem

With the purpose of counting with the necessary requirements for the definition of domestic policy and attend the negotiations it must propel the reformulation, acquisition and the implementation of technical modern media, data web, communication system and technical studies destined to offer updated and detail scheme of the situation on the productive sectors and market functioning .

The General Foreign Trade Administration has 3 servers, one of which is dedicated to electronic mail and network management, and another of which is dedicated to the customs database. There are 33 computers, 21 laser printers and 3 inkjet printers.

Existing databases include: basis of production, fed in part by MAGFOR; database on exports and imports, with the database from Customs; CETREX database, tariff database from the Integration Administration. There is also the database of the Central Bank. There are some capacity process for the databases required to generate products, that must be strengthen to make them available to the negotiators and the private entities.

Objectives

Provide MIFIC with modernized computer equipment, including hardware and software, for priority attention to the FTA negotiations.

Activities

- a) Design and develop databases for international trade negotiations, with information on:
 - i. trade (exports and imports) with the U.S. in agricultural products and others of interest in trade with that country.
 - ii. the process of consultation with and requests from the private sector for the negotiations with the U.S.
 - iii. information on Nicaraguan products (especially basic grains, meat and dairy products, vegetables, fruits, tubers, peanuts, sugar, sesame seeds, among other things) according to these variables: production, area and yield.
- b) Provide MIFIC with the following equipment: 32 desktop PCs, 11 notebooks for negotiations, 7 scanners, 7 printers, 3 multimedia projectors and videoconferencing equipment. Corresponding software.

Likewise, acquisition of 6 computers with all of their accessories is required, for distribution between MAGFOR and MINSA, and a laptop for the exclusive use of the negotiator.

Operational Plan for Equipment and Database Creation

CATEGORY	ACTIVITIES	TIMETABLE		RESPONSIBLE ENTITY	US\$
		MONTH	DURATION		
Computer equipment	Purchase of desktop and laptop computer equipment, software, printers, scanners, etc.	1		Execution Unit	82,900 ¹⁰
	Computer equipment for MAGFOR	1		Execution Unit	7,500
Databases	Design, information incorporation and management of a database on trade with the U.S., for agricultural products as well as others of interest. (With an explanatory workshop).	2	1 month	National Consultancy	11,000
	Database on private sector consultations and requests for negotiations with the U.S. (With an explanatory workshop).	1	1 month	National Consultancy	11,000
	Design, information incorporation and management of a Database with information on Nicaraguan products, according to variables of: production, area and yield. (With an explanatory workshop).	1	1 month	National Consultancy	11,000
TOTAL					123,400

¹⁰ Preliminary calculation: PC= 32x US\$1,000= 32,000, Laptop= 11x US\$ 1,500=US\$ 16,500, Scanners= 7x US\$ 200= US\$ 1,400, Printers= 7x US\$ 1,000= US\$ 7,000, Multimedia projectors = 3x US\$ 2,000=US\$ 6,000, Videoconferencing equipment = 1x US\$20,000= US\$ 20,000.

2. PROGRAM FOR TREATY APPLICATION AND ADMINISTRATION

2.1 SUBPROGRAM FOR TRAINING ON TREATY APPLICATION AND ADMINISTRATION

Problem

The entity responsible for the General Foreign Trade Administration of MIFIC on this issue is the Administration for Treaty Integration and Administration, who are also partially responsible for the negotiations. It is fundamental to reinforce the personnel trained in terms of administration of Trades, that permits widening according with the increment on the agreement subscribed by Nicaragua.

At the same time, the application of the agreements is also a responsibility of other public sector agencies that need to be institutionally strengthened, providing personnel training, as well as improving the operation of the inter-institutional system that administration of the rules requires. In this context, it is necessary to include and implement among the institutional strengthening activities a Training Subprogram for the human resources at the General Customs Administration, MAGFOR, the Ministry of Health, TELCOR, and others, including, where appropriate members of the private sector.

With regard to intellectual property rights, their administration and control requires order to update and strengthen the training of officials from MIFIC, Customs, the Ministry of Health, the public ministry and the judiciary. Effective application of existing law that assures respect for intellectual property rights (in actual practice) is functional with respect to the goal of attracting direct investment and achieving technology transfer.

Objectives

Strengthen the Administration for Treaty Integration and Administration through a higher level of training of human resources and other agencies responsible for applying international agreements and treaties.

Improve operation of the inter-institutional systems for administering sanitary and phytosanitary standards, industrial quality, rules of origin verification and protection of intellectual property rights.

Activities

- Workshops with international experts on Treaty administration.
- Internships abroad to acquire knowledge and experience related to the administration of the United States Free Trade Agreements practiced by other countries.
- Courses for technical officials and members of the private sector on issues related to implementing agreements and international standards on plant and animal health and food safety.
- Training for laboratory technicians at both MAGFOR and MINSA.

- Development and implementation of a Dissemination Program, with broad national coverage of the sanitary and phytosanitary regulations of Nicaragua and the United States, especially for products of greatest interest and potential development in Nicaragua.
- Reinforce the institutional structure of MIFIC and MAGFOR (reference laboratory equipment, private sector laboratories, the accreditation and certification system, creation of a transferability system, among other things).
- Workshops on the application of origin rules and requirements for government officials and members of the private sector.
- Internships for officials on the administration of origin regimes, with emphasis on verification.
- Theoretical-practical workshop on customs valuation for customs officials and agents.
- Subscription to periodical publications of “La Gaceta,” Codes, and the purchase of specialized texts for the permanent training of the Intellectual Property Registry (IPR).
- Courses on international agreements and national law on investments directed at public officials and sectors related to the administration of justice, dispute settlement mechanisms and investment promotion policies.
- Internships at the WTO, Mexican Trade Secretariat, and the United States DOC in order to learn the procedures used for applying Safeguard measures.
- Internship at the DOC for officials from the Unfair Trade Practices Unit in order to learn the existing procedures and mechanisms for conducting an Unfair Trade Practices investigation.
- Theoretical-practical workshops on the content of the FTA, the relationship between its provisions and the relevant rules of International Law, existing precedent in that regard and the various dispute settlement procedures contained therein.
- Course on Auditing techniques of laboratories accredited for certification
- Courses for members of the public and private sectors on the different technical committees for evaluating quality standards, metrology, etc.
- Courses for officials from MIFIC, the private sector and other institutions on the WTO Safeguards Agreement and Article XIX of the 1994 GATT.
- Workshop for the Investigation Authority (MIFIC) on procedures for determining the existence of injury in investigations aimed at applying a safeguard measure.

Operational Plan for the Training Subprogram

CATEGORY	ACTIVITIES	TIMETABLE		RESPONSIBLE ENTITY	US\$
		MONTH	DURATION		
Treaty Administration	3 Workshops with international experts on Treaty administration.	6	2 days	Internat. Consult.	15,000 ¹¹
	Internships abroad for five officials on the administration of the United States Free Trade Agreements.	7	15 days each	Execution Unit	23,500
Sanitary and Phytosanitary and Quality Standards	2 Courses for technical officials of MIFIC, MINSA, MAGFOR and private sector members on topics related to implementation on animal and plant health and food safety issues.	5	2 days	Internat. Consult.	10,000
	2 training courses for laboratory technicians from MAGFOR and MINSA.	3 & 5	3 days each	Internat. Consult.	10,600
	National dissemination program on the Sanitary and Phytosanitary requirements applied by Nicaragua and the United States on products currently or potentially exported by Nicaragua.	3	years	Consultancy.	1,000,000 ¹²
Origin	2 Workshops on the application of origin rules and requirements for officials and private sector members.	7 & 12	3 days each	National Consult.	6,000

¹¹ Calculation of the cost of each workshop or course was made based on fees of US \$ 4,000, plus US\$600 of Px and 2 days of travel expenses of US\$200.

¹² This spreading program will initiate with the elaboration of its design. Which will include among other things, the creation of a webpage that contains information on sanitary and phytosanitary measurements, technical norms, etc. It will also consider seminars, workshops, courses, lectures to producers, technical norms, manage products, production processes, packaging, labeling, etc. The creation of a radial widespread program thru the press media, TV, elaboration and distribution of magazines and pamphlets.

	Internships for 5 officials on the administration of origin regimes, with emphasis on verification.	4	15 days	Execution Unit	23,500
	1 theoretical-practical workshop on customs valuation for customs officials and agents.	3	2 days	Internat. Consult.	5,000
Intellectual Property	IPR subscription to periodicals, purchase of specialized texts, etc.	1	6 months		3,000
Investments	2 courses on international agreements and national law on investments aimed at public officials and sectors related to the administration of justice, dispute settlement mechanisms and investment promotion policies.	5 & 7	2 days each	Nat. Consult.	6,000
Safeguards	Internships for 3 officials at the WTO, the Mexican Trade Secretariat and the United States DOC, for the officials of the Unfair Trade Practices Unit.	4	15 days	Execution Unit	14,100
Unfair Trade Practices	Internships for 2 officials in the United States Department of Commerce, in order to gain detailed knowledge about the mechanism they use to carry out an Unfair Trade Practices investigation.	5	15 days	Execution Unit	9,400

Dispute Settlement	1 theoretical-practical workshop on the content of the FTA, the relationship between its provisions and the relevant rules of International Law, existing precedent, and the different procedures for dispute settlement precedents that they contain.	8	2 days	International Consultant	5,000
Technical Standards	1 Course on Auditing techniques for laboratories accredited for certification.	3	2 days	Internat. Consult.	5,000
	2 Courses for members of the public and private sectors of the various technical evaluation committees	4	2 days	Internat. Consult.	5,000
Promote a Culture of Quality	Design and implement an awareness program consisting of 4 meetings with the private sector and Government officials. Emphasis on Nicaragua's priority products.	1, 3, 5, 8, 10	1 day each	International consultants and experts	20,400
Safeguards	1 Course for MIFIC officials, officials from the private sector and other institutions on the Safeguards Agreement of the WTO and Article XIX of the 1994 GATT.	4	2 days	Internat. Consult.	5,000
	1 Workshop for the Investigating Authority (MIFIC) on procedures for determining the existence of injury in investigations directed at applying a safeguard measure.	5	2 days	Internat. Consult.	5,000
TOTAL	.				170,100

2.2. SUBPROGRAM FOR STUDIES AND TECHNICAL ASSESSMENT

Problem

MIFIC and other ministries related to the application and administration of treaties due to the problems of budget order mentioned before, have limitations in financial and technical resources for the creation or the optimization of the institutional training necessary in the material.

Objectives

Develop studies and technical assessments aimed at strengthening the ability to implement the standards and disciplines related to the obligations undertaken, and develop mechanisms for inter-institutional coordination and public policies consistent with the objectives of the agreements.

Activities

- Study and implement improvements in the trade information system of the General Customs Administration, making necessary changes to the software.
- Modernize the foreign trade statistical information system, in order to have an up-to-date, effective system that facilitates investigation procedures for the eventual application of a safeguard measure.
- Organize and set up an office for the administration of origin and strengthen the ability to verify Rules of Origin.
- Create information systems on customs procedures and export and import transactions in the institutions involved (DGSA, CETREX, MINSA, MAGFOR, MIFIC).
- Study for strengthening inter-institutional coordination mechanisms: Judiciary, MINREX, Police, MARGFOR, MINSA, Customs.
- Study and design the structure of the IPR and the decision-making process of granting intellectual property rights
- Establish a services classification system, taking into account existing systems at the international level.
- Studies allowing formulation of development policies in the services sector (computers, professional services, tourism, financial services, construction, etc.)
- Technical assessment in developing policies to attract infrastructure investment, related to port, maritime, construction and transportation services, and investment projects directed towards exports.
- Support the formal creation and establishment of the Unfair Trade Practices Unit.
- Design disease eradication programs to be implemented during the phase of transition to free trade.

- Assessment in monitoring the flow of imports in order to timely determine injury or the threat of injury caused by massive imports.
- Preparation of a Guide for presenting claims on safeguards, as well as instructions for users on presenting requests.
- Studies aimed at evaluating and strengthening the sanitary and phytosanitary systems. Based on these recommendations the integral modernization of these systems will be carried out during the free trade phase.
- Study aimed at evaluating and recommending measures for strengthening the system of normalization, metrology and certification.
- Technical Assessment Organization of the National Accreditation Office (ONA): establish Compliance Assessment mechanisms, design of formats, policies, quality manuals, procedures and criteria.

Operational Plan for the Subprogram on Studies and Technical Assessments for Treaty Application and Administration

CATEGORY	ACTIVITIES	TIMETABLE		RESPONSIBLE ENTITY	US\$
		MONTH	DURATION		
Market Access	Study on and implementation of improvements in the trade information system of the General Customs Administration, making the necessary changes in the software.	3	1 month	Internat. Consult.	17,500
	Modernization of the statistical information system for foreign trade, in order to rely on a current and efficient system that facilitates investigation procedures for the future application of a safeguard measure.	3	1 month	Internat. Consult.	17,500

Sanitary and Phyto-sanitary Standards	Design of disease eradication programs: Newcastle disease, Mediterranean fruit fly, classic pork cholera, brucellosis and bovine tuberculosis.	2	1 month	1 International Consultant and 1 National Consultant	20,000
	Study on evaluating and strengthening the sanitary and phytosanitary system, centered in MAGFOR and MINSA.	3	1 month	International and National Consultants	42,000 ¹³
Origin	Organization and establishment of the office of Origin Administration and strengthening the Rules of Origin verification ability	2	1 month	Internat. Consult.	12,500
Customs Procedures	Creation of information systems on customs procedures and import-export transactions in the institutions involved (DGSA, CETREX, MINSA, MAGFOR, MIFIC)	2	1 month	Intern. Consult.	17,500
Intellectual Property	Study and design of the IPR structure and decision-making in the process of granting intellectual property rights.	4	1 month	Internat. Consult.	12,500
	Study on strengthening inter-institutional coordination mechanisms: Judicial Power, MINREX, Police, MARGFOR, MINSA, Customs.	4	1 month	Internat. Consult.	12,500

¹³ Calculation basis: 2 International consultants at fees of US\$ 10,000, plus per diem and Px. and 2 National Consultants at fees of US\$ 5,000.

Services	Design a service classification system in accordance with existing international systems.	3	1 month	International Consultant	17,500
	Studies allowing formulation of development policies for the service sector (computers, professional services, tourism, financial services, construction, etc.)	4	1 month	1 International Consultant and one National Consultant	20,000
Investments	Technical assessment in developing policies to attract infrastructure investment, related to port, maritime, construction and transportation services, and investment projects targeted at exports	3	1 month	Internat. Consult.	17,500
Trade Defense	Support of the formal creation and establishment of the Unfair Trade Practices Unit	3	1 month	Internat. Consult.	12,500
	Assessment on monitoring import flows in order to timely determine injury or the threat of injury caused by massive imports	3	1 month	Internat. Consult.	12,500
	Development of a Guide for presenting safeguards-related claims, as well as instructions for users on presenting requests.	3	1 month	National Consultant	6,000

Technical Standards	Technical assessment Organization of the National Accreditation Office (ONA):	5	1 month	Internat. Consult.	12,500
	Study for evaluating and strengthening the normalization, metrology and certification system	3	1 month	International and National Consultants	42,000 ¹⁴
TOTAL				.	292,500

¹⁴ Calculation basis: 2 International consultant at fees of US\$ 10,000, plus per diem and Px. and 2 National Consultants at fees of US\$ 5,000.

2.3 SUBPROGRAM FOR EQUIPMENT SUPPLY AND RETENTION OF CONSULTANTS FOR TREATY ADMINISTRATION AND APPLICATION

Problem

The implementation and application of new agreements, specifically the FTA with the United States, will accentuate current needs in the administration of specific areas, in particular in the sanitary and phytosanitary and quality realms.

Objectives

Provide MIFIC with consultants specialized in the different issues of treaty application in order to organize and perform efficiently the implementation of the obligations assumed.

Strengthen the DGPSA of MAGFOR through creation of the Treaty Follow-Up Unit with its proper equipment.

Provide the input and equipment needed for the country's sanitary and phytosanitary system to operate.

Activities

- Hire a specialized consultant for 12 months, starting in mid-2004, to support the Treaty Administration area.
- Hire three consultants for: drafting, review and follow-up of draft Sanitary and Phytosanitary Measures that need to be established in Nicaragua; as well as the corresponding notice in the bilateral and multilateral framework. Follow-up, review and analysis of the SPS measures proposed by other members of international agencies competent on the issue. Follow-up, review and relevant national procedures for establishing, recognizing and applying the corresponding international SPS. Preparation of proposals to the appropriate bilateral and multilateral agreements to achieve recognition of SPS equivalencies.
- Reinforcement of the MAGFOR and MINSA Laboratories. Provision of reagents and equipment.

Operational Plan for the Subprogram of Consultant Retention and equipment supply relating to Treaty Application and Administration

CATEGORY	ACTIVITIES	TIMETABLE		US\$
		MONTH	DURATION	
Strengthen the institutional structure of MIFIC and MAGFOR in Sanitary and Phyto-sanitary Standards	Provision of laboratory equipment and materials. National and international accreditation of Nicaraguan laboratories. Creation of a transferability system, among other things).	3	6 months	10,000,000 ¹⁵
Retention of Consultants	1 consultant for the Treaty Administration Area.	Mid-2004	12 months	84,000 ¹⁶
	3 Consultants for SPS.	5	18 months	378,000
TOTAL				10,462,000

¹⁵ Figure supplied by MIFIC.

¹⁶ Calculation based on monthly fees of US\$ 7,000.

5. TRANSITION TO FREE TRADE

Problem

The strategy for negotiating an FTA with the U.S. implies having adopted integration into the U.S. market as a criterion for the country's development. For this to be possible, the key involves the ability of the goods and service production sectors to take advantage of the benefits of privileged access, and that these advantages be extended to all sectors and regions of the country. Certainly, like any process of this kind, some sectors will be winners and others losers, which will require attention both before and after the negotiation exercise. Particularly, promoting greater levels of competitiveness for the whole economy and in particular, for the most dynamic sectors in terms of their ability to develop and diversify exports, and preparing policies and strategies for those that might be affected most severely. At the same time, and as has already been pointed out, Nicaragua is facing serious limitations in the financial resources it has to carry out this task, a fact that also affects the availability of foreign loans when there is no financial ability to use national counterpart resources.

Objective

Develop the ability to take advantage of the economic-commercial benefits of free trade with the U.S. and to extenuate the effects of the impact of commercial openness.

Activities

Fiscal Issue (Resolution of national budgetary counterpart for executing international loans.)

- 1) Development of a pro-trade environment:** Review of Mercantile Regulations, and Regulations on Property, Registries and Cadastres. Review of the law on Investments, Judicial System, etc.
- 2) Development of the most dynamic Districts:** Localized allocation of resources in these districts, facilitating development of dynamic productive activities, improving, among other things, the infrastructure and logistics of connections (secondary roads, energy, communications, etc.).
- 3) Program for Promoting SMEs:** Development of a plan to promote integrating SMEs into the integration process, through a program aimed at developing an export-oriented mentality (training plan, mechanisms for benefiting from the available information for export development, tax policies, creation of specific financing instruments for priority products, or that allow the reconversion of these companies, etc.)
- 4) Development of Greater Levels of Competitiveness:** Strategies at the National and Sectoral Levels. Coordination between the public and private sector to overcome obstacles for achieving greater levels of competitiveness.
- 5) Investment Attraction Program:** Training on the subject of project development and evaluation for the public and private sector. Nicaragua's image abroad (Visibility of the country).

6) Development of an Infrastructure and Transportation Plan: Port on the Atlantic. Increase Airport capacity. Principal trade routes and corridors. Connection with priority secondary roads.

7) Disease eradication Investment Program. Implementation of programs for eradicating disease and illness through an eradication program for brucellosis and bovine tuberculosis, Newcastle disease, swine fever, Mediterranean fruit fly, broken out as follows:

Classic Swine Cholera 10 mill US\$, over a period of 5 years
Brucellosis Bovina 5 mill US\$, over a period of 2 years
Bovine tuberculosis 5 mill US\$, over a period of 5-6 years
Newcastle disease 2 mill US\$, over a period of 5-6 years
Mediterranean fruit fly 300 mill, over a period of 5-6 years

(Guatemala, Mexico and other countries have already initiated strong programs for eradicating the Mediterranean fruit fly. In Guatemala there is already a production plant for sterile flies, the amount corresponding to this disease would be to eradicate them in priority areas, **since, according to OIRSA studies, approximately US\$ 300.0 million is needed for eradication at the national level.**)

8) Programs on good agricultural and manufacturing practices. That could include: Seminars, regional Workshops linked primarily to clusters prioritized by the government such as meat, dairy and agro-industrial products. Investment programs to improve technology in the elaboration of processed products to improve the actual infrastructure or to create new capacities.

(9) Modernization Plan for laboratories and equipment for complying with sanitary and quality standards. Implement full modernization of the systems for plant and animal health, normalization, metrology and certification. Supply of equipment, supplies, laboratories, certification control mechanisms, risk analysis, etc. Implement disease eradication campaigns that affect Nicaragua's current or potential supply.