



CAFTA Facts

Office of the United States Trade Representative
CAFTA Policy Brief –June 2005

www.ustr.gov

Financial Support for CAFTA-DR: More than \$3 billion for rural development, labor enforcement, and other priorities

- **Millennium Challenge Corporation:** The MCC helps to combine aid with trade, directing U.S. assistance funds toward countries with good government and sound trade and economic policies. This includes **\$215 million for Honduras already announced. \$175 million for Nicaragua** was approved by MCC board on June 13th. Potential of similar amounts **next year for Dominican Republic, El Salvador, and Guatemala**, depending on appropriation and competition among candidate countries.
- **President's FY2006 Budget Request:** approximately \$200 million for the region in development assistance and capacity-building. Work closely to maximize impact of the CAFTA's Committee on Trade Capacity Building (which includes USG, World Bank, Inter-American Development Bank and other donors).
- **Inter American Development Bank:** The 2005 loan pipeline related to **trade capacity building**, including projects under consideration through 2009, is **\$1.6 billion**. The IDB Board will be considering approval this month of a \$117 million loan to Costa Rica. Country break down for total facilities under consideration is:

Costa Rica	\$417 million
Dominican Republic	\$285 million
El Salvador	\$375 million
Guatemala	\$281 million
Honduras	\$142 million
Nicaragua	\$103 million

- **The World Bank:** The World Bank facilities **include over \$1.14 billion** in already-approved loans to bolster investments and reforms in **support of CAFTA's reform agenda**. Loans include financing for infrastructure development (roads, ports and electricity), improvements in the investment climates (customs modernization, reductions in costs of doing business), **investments in rural development and in strengthening governance and institutions**. These facilities break down as:

Dominican Republic	\$20 million
El Salvador	\$182 million
Guatemala	\$406 million
Honduras	\$183 million
Nicaragua	\$346 million