LAC Trade Matters

Issue #57 **(3/15/08)**

In the News…

ATPA Extension Signed Into Law Before Program Expires – On February 29, President Bush signed into law the extension of the Andean Trade Preference Act through Dec. 31. The measure passed the House of Representatives Feb. 27 and the Senate Feb. 28. Senate Finance Committee Chairman Max Baucus, D-Mont., said he will "closely monitor" whether the program's statutory criteria, including those related to investment, labor rights and drug eradication, are being met. He indicated that, by the end of this year, he plans to reassess the preferences granted to each of the four beneficiary countries. Administration officials reiterated that the ATPA extension provides time to implement the U.S.-Peru Trade Promotion Agreement (TPA) and for Congress to approve the U.S.-Colombia TPA. (**Source:** World Trade/INTERACTIVE, Volume 15, Issue 45 – http://tinyurl.com/3dfnyx)

USTR Announces Agreement on Extension of Time for Costa Rica to Join the CAFTA-DR – On February 27, U.S. Trade Representative Susan C. Schwab announced that the U.S. and its five partners (Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) in the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) have agreed to provide Costa Rica until October 1, 2008 to complete the legislative and regulatory steps required to join the agreement. The people of Costa Rica approved the CAFTA-DR in a national referendum in October 2007. Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and the United States signed the CAFTA-DR on August 5, 2004. The CAFTA-DR is now in force for all signatories, except Costa Rica. The United States and El Salvador put the CAFTA-DR into force on March 1, 2006. The agreement entered into force for Honduras and Nicaragua on April 1, 2006, for Guatemala on July 1, 2006, and for the Dominican Republic on March 1, 2007. The CAFTA-DR establishes a two-year period for signatory countries to join the agreement after it first takes effect. A country may join after the two-year deadline, but only if the countries that have already joined agree. The CAFTA-DR first took effect on March 1, 2006. Therefore, the two-year period closes on March 1, 2008. (**Source:** http://tinyurl.com/2mgugy)

In the News… (continued)

Financial Inclusion in the Americas: A Workshop Hosted by U.S. Treasurer Anna Escobedo Cabral – On February 14, 2008, this workshop held a session on Financial Alliances at which USAID's Lyn Dunn (Trade Development Officer, LAC/RSD/BBEG) provided an overview of USAID's Global Development Alliance (GDA) and Development Credit Authority (DCA) programs in the LAC region. The following is a summary of Lyn's talking points:

USAID has two primary tools available to assist in SME and financial sector development and the formation of partnerships and alliances. These are the Development Credit Authority (DCA) and the Global Development Alliance (GDA). The following describes each of these tools and provides examples of how they have been used successfully in Latin America.

DEVELOPMENT CREDIT AUTHORITY (DCA)

- USAID's DCA has a plethora of partnerships with banks, financial institutions and microfinance institutions in Latin America and the Caribbean (LAC). Through the use of partial credit guarantees, DCA mobilizes the financial resources that already exist in a developing country, creating a sustainable source of private financing.

- Today USAID has 180 DCA local currency guarantees in 54 countries around the world. With the use of DCA, USAID has mobilized over $1.3 billion in private credit to sectors that meet the U.S. government's foreign assistance objectives. By using credit guarantees, USAID leverages private resources 30-to-1. The total cost to USAID to date has been $44 million. Claims paid to date are less than 1 percent of the amount lent under the guarantee.

- Credit guarantee programs offer distinct advantages over some other forms of assistance:

    - First, they provide access to local private capital. There is a large reserve of untapped capital in the private sector in Latin America which presently is not available to many sectors and markets. The use of credit guarantees provides the security to make that capital available to key sectors and financial markets.

    - Risk is shared to encourage lending - DCA guarantees cover up to 50% of a lender's risk in providing financing and are often coupled with training and technical assistance designed to strengthen local financial institutions' long term interest in local credit markets, beyond DCA's support.

    - The benefits of credit are demonstrated ("the demonstration effect") by providing local partners with access to less expensive credit. Subsequently, by demonstrating the sustainability and profitability of development activities using that credit, local institutions are more likely to expand financial services to traditionally underrepresented economic sectors and social groups.

    - Finally, USAID's resources are maximized – the Agency can leverage on average 30 times the per-dollar-impact by using credit to finance development activities.

- Most DCA guarantees are funded and managed by USAID overseas missions, with support from Washington in their design, implementation, and monitoring.

- Capital in Latin America is a major constraint. The long-standing situation is a story of limited access to credit; inefficient, underdeveloped financial markets; stagnation of local economic growth; and need for expansion into new sectors. However, at a closer look, there is often abundant excess liquidity and potential to develop financial markets. Investments can be profitable, but leverage may be needed.

- The challenge of lending to small and medium enterprises lies in the fact that banks in many Latin American countries are very conservative in their lending practices. When these banks make loans, it is typically to established customers and often requires collateral equal to 100 - 200 percent of the loan. Conditions like these favor large, successful businesses and established bank clients. For smaller operations, new customers, and lesser-known markets, these conditions make it difficult to obtain financing. As a result, profitable enterprises and creditworthy borrowers lack access to credit, which eliminates job opportunities, stifles expansion of local enterprises, and hinders improvements in municipal services, such as clean water, sanitation and electricity.

- But bankable projects do exist! There are often huge reserves of dormant private capital and long-term, private sector-led growth can be achieved by using local private capital.

- To prove this point, DCA guarantees in the LAC region have managed to leverage over $213 million in credit and financing, at a cost to the US Government of less than $10 million. 51% of the resources mobilized went to SMEs, and 26% to microenterprises.

- For example, a regional guarantee in Ecuador, Guatemala, Mexico, Nicaragua, Panama and Peru, enables rural agricultural producers in the agribusiness and ecotourism sectors, that otherwise cannot secure financing from traditional sources, to access up to $4 million to grow their businesses.

- Another guarantee in Honduras designed to stimulate the development of a municipal finance system mobilized $1.3 million in private lending so that smaller municipalities can undertake infrastructure improvement projects.

- The impact of these programs is lower collateral and interest rates, longer loan tenors, expansion into new sectors and borrowers, addition of new loan products, demonstration effect, and lower "perceived risk" of sector ventures. In addition, hundreds if not thousands of jobs have been created and municipal projects have been funded through the enlargement of the private sector in these countries, contributing to overall growth and development.

The second USAID tool for alliance building is the Global Development Alliance (GDA)

GLOBAL DEVELOPMENT ALLIANCE (GDA)

- USAID's GDA is our mechanism for creating strategic public-private alliances with private sector partners, including corporations and foundations. The GDA recognizes that each partner brings to the relationship unique skills and resources that unite to create sustainable solutions.

- Since 2001, USAID, through GDAs, has cultivated more than 600 public-private alliances with over 1,700 individual partners to leverage an additional $5.8 billion from its investment of $2.1 billion in public funds.

- Through the GDA tool USAID can facilitate access to broader financing options, assist in skill and knowledge development, and apply the Agency's extensive knowledge of country environments to help reduce the risks of investing in some of the world's poorest countries.

- By taking a multi-stakeholder approach through its GDAs, USAID not only mitigates the risk of investment in the developing world but also deepens and strengthens the development impact.

- GDAs work best and have the greatest development impact when private sector business interests align with USAID's strategic development objectives in a country. For example, where USAID creates job opportunities by training people to have competitive skills, an IT company will see an opportunity to hire highly skilled laborers. USAID also works with private sector partners to enhance the sustainability and impact of their corporate philanthropic activities.

- USAID has created Global Framework agreements that articulate the Agency's intention to collaborate with a corporate partner in specific sectors and/or countries or on specific activities around the world. These agreements help reduce the start-up effort to create public-private alliances and help integrate development outcomes into business agendas. USAID has created Global Frameworks with partners that include Cisco, Starbucks, Coca-Cola, Intel, Rotary International and Microsoft.

- GDA can also partner with financial institutions. Successful examples of such partnering include:

    - FINCA International and Visa International joined together in Guatemala and Nicaragua to institute world-class payment technologies. Their efforts are increasing the efficiency of microfinance and providing cutting-edge new products, such as pre-paid cards and remittance delivery, which will expand access to microfinance and basic banking services. The alliance brings to bear Visa's significant experience and market resources on the problem of technological modernization of microfinance. The poor will have greater access to microfinance at a lower cost, and the opportunity costs of borrowing will be lower with a lower transaction cost. Using electronic payment platforms will lower costs and improve services to clients.

    - In Guatemala, an alliance between the Calvert Foundation, Ecologic Finance (EF), and Starbucks provides trade financing loans to farmers based upon purchase agreements with buyers. This GDA extends a Loan Portfolio Guarantee to cover 50% of the risk for small loans made by Ecologic to small and medium agribusinesses and ecotourism operations throughout Central America. In 2005, EF made a total of 83 loans to rural enterprises with a gross value of $12 million.

    - In Colombia, an alliance objective was to establish a private sector equity fund, with participation of private sector financial institutions, which will make loans available to small and medium-sized enterprises. As a result, USAID established the first SME Risk Capital Fund in Colombia, which was capitalized at approximately $17 million with majority funding from private Colombian pension and insurance companies. The Fund made its first SME equity investment in January 2007.

- The USAID GDA is a commitment on the part of USAID to change the way the Agency implements its assistance mandate. The initiative is an innovative Agency-wide way of doing business that allows USAID to better combine its strengths with the resources and capabilities of other actors.

The Supermarket Revolution in Emerging Markets: Implications for the Produce Industry

PMA Reardon Report
December 2007 Supe

The following is a slightly edited version of the Executive Summary of this Tom Reardon report.

Huge Opportunity in Emerging Markets: A "new" and massive produce market is emerging in the regions of Asia (outside Japan), Latin America, and Central and Eastern Europe, some 4.5 billion consumers. Most striking is that incomes per capita in these Emerging Markets are growing 3–5 times faster than those of the developed regions of North America, Japan, and Western Europe. The growth rates of the Emerging Markets as importers — and exporters — are 50–100% greater than the developed countries. This shows a basic shift emerging that will only deepen: 58% of economic growth between now and 2025 will be in Asia and Latin America, and only 6% in North America. At the same time, production in and exports from Emerging Markets massively increased in a short time.

This new opportunity of the Emerging Markets as a consumer market for produce has not yet been fully appreciated by the produce industry. Among various reasons, the one most relevant is an assumption among many in the produce industry that while the statistics about market growth and potential are impressive, it is just plain difficult to access the consumers in the Emerging Markets. There is a widespread perception that markets there are fragmented and traditional, dominated by mom-and-pop stores and wetmarkets and street hawkers — without the means to move produce efficiently, to market differentiated quality, to advertise, and to label. But the lightening-fast "supermarket revolution" in Emerging Markets is changing that situation – fast!

Supermarket Revolution in the Emerging Markets: A "supermarket revolution" in developing countries took off in the early/mid-1990s. The spread of supermarkets has taken place — and continues to take place — in three waves. The "first-wave" countries experienced supermarket-sector "takeoff" in the early to mid-1990s. These include much of South America and East Asia (outside China and Japan), Northern-Central Europe and the Baltics, and South Africa. These first-wave countries saw supermarket diffusion in a single decade that took some five decades in the U.S. and the U.K. The second-wave countries include Mexico and much of Southeast Asia, Central America, and Southern-Central Europe. The third-wave countries are where the supermarket revolution take-off started only in the late 1990s or early 2000s. These areas include parts of Eastern/Southern Africa, some countries in Central and South America, "transition East Asia" (China and Vietnam), Russia, and India. Supermarket sales growth is racing along in the third-wave countries, such as yearly sales growth of 40% a year in China (compared to their world-leading income growth rate of 10%).

Penetration by supermarkets of food retailing has occurred in the following waves of food categories. (1) The first wave of product penetration is in processed foods (canned, dry, and packaged items such as rice, noodles, and edible oils). (2) The second wave is in semi-processed foods (with extensive or minimal processing such as dairy products) and minimal processing/packing (chicken, pork, beef, and fruit). (3) The third wave is by far the slowest and the longest in starting in Emerging Markets (as was also the case historically in North America and Western Europe), and that is into the vegetable market (in particular, leafy vegetables and bulk vegetables). As incomes rise and urbanization proceeds, one can expect the share of supermarkets in produce retail to grow. Moreover, as supermarket produce retail grows, the share and diversity of imported fruit tends to rise.

Procurement System Modernization: As retail competition has soared in emerging markets under the lightening fast "supermarket revolution," chains have first turned to traditional supply channels and faced daunting problems. So they are increasingly (of course with great variation over product categories, chains, and countries, basically mirroring the wave patterns discussed above) turning to modernization of produce procurement systems.

The first procurement modernization trend in Emerging Markets is procurement re-organization with shift to national, regional, and global sourcing networks. As a retail chain grows in the Emerging Markets, there is a tendency to shift from a fragmented and per-store procurement system to a distribution center–based system that serves several stores over space. The spatial system can be national, regional, or global. An extremely important emerging concomitant trend is Emerging Market supermarkets sourcing from suppliers in other Emerging Market countries. The competition is increasingly not just between developed countries and Emerging Markets for the shelves of the supermarkets in the Emerging Markets but, importantly, among Emerging Market suppliers internationally. Reardon projects that this competition will increase a lot in the future — and will in fact be the main face of change wrought by globalization in the next 10 years.

The second procurement modernization trend in Emerging Markets is the emergence of private standards. The conditions of underdeveloped and under-implemented quality and safety standards in the traditional market and supply chains are both a problem and an opportunity for supermarket chains in Emerging Markets.

The third trend in procurement system modernization in Emerging Markets is the emergence of direct buying and specialized/dedicated wholesalers. The adoption of these practices has varied across chains, products, and countries, and in general is still in the early phase even in the first-wave countries, but it expected to continue to develop over the next 5–10 years.

Implications for the Produce Industry: The "supermarket revolution" represents a motor of produce market development in Emerging Markets, and a way to access a billion middle class consumers. However, there are substantial challenges for the produce industry. These challenges include consolidation of the market and higher demands than the traditional markets. These can be most difficult for traditional wholesalers and producers. But the growth of imports from other Emerging Markets will also pose a strong competitive challenge to developed country suppliers working to market to these Emerging Market supermarkets. Given that the latter are "sitting on top" of the main produce growth market on the planet, that challenge will come to be a challenging trend to producers in North America, Australia and New Zealand, and Western Europe in the decade ahead. The report concludes with specific suggestions to producers to maximize their chances in the new market spawned by the Supermarket Revolution.

Source: Email from Tom Reardon.

Wal-Mart Plants Seeds Of Alliance With Latin Farmers (by Marla Dickerson, [The Los Angeles Times](), Saturday, March 8, 2008)

SAN PEDRO SACATEPEQUEZ, GUATEMALA - Perched on less than an acre of land off an unpaved road in a hardscrabble rural area, farmer Gumercindo Ajanel would hardly seem like a Wal-Mart regular. But in fact, he's working for the American retail giant.

On a recent morning, he proudly displayed fresh-picked cilantro and parsley he ships to the chain's local stores. A company agronomist taught him to grow greens that are hygienic and visually appealing. Best of all, he said, Wal-Mart buys frequently and pays promptly. "That helps a lot," said Ajanel, who employs 30 farmhands in this area about 35 miles northeast of the capital, Guatemala City.

Ajanel, 35, is a rare success story in a nation where nearly three-quarters of the population is rural and largely poor, yet being squeezed by modern economic forces. Supermarkets are rapidly displacing informal channels through which peasants traditionally sold their harvests. Growers used to hawking dusty potatoes out of the back of a truck are finding shoppers defecting to chains whose produce is clean, uniform in size and often lower in price.

Consumers are thrilled at the savings and convenience. But the trend worries some agricultural economists and development experts. Now simply growing a good crop is not enough to ensure the survival of many small-scale farms; they must get their products onto supermarket shelves.

"As the food retail and manufacturing sector becomes more and more concentrated, market access becomes the binding constraint for small producers," said Dave Weatherspoon, an associate professor of agribusiness at Michigan State University.

In Guatemala, Wal-Mart this week unveiled a program aimed at linking more mom-and-pop growers to its supply chain. In partnership with the **U.S. Agency for International Development** and two nonprofit groups, the company plans to train 600 farmers over the next three years to supply produce for its local stores.

It's good public relations for Wal-Mart, but company officials say it also helps the bottom line. Most of the fruits and vegetables the retailer sells in its 457 Central American stores are produced locally. But supply glitches have resulted in temporary shortages of products such as lettuce.

Wal-Mart wants to diversify its supplier base to keep its shelves stocked as it expands. It's also looking to give small farmers a crack at producing niche items such as herbs that big growers can't be bothered with and that are too expensive to import.

"It helps us ensure a supply of specialties," said Ignacio Perez Lizaur, chief executive of Wal-Mart Centroamerica. "It does, ultimately, make business sense."

The success or failure of this and similar efforts may determine whether thousands of farm families can remain on the land or join the millions who have migrated to urban slums or to rich nations such as the United States.

"What's at stake for small farmers is that they may soon find they have no place to go with their produce," said agronomist Julio Berdegue, president of the Chile-based Latin American Center for Rural Development. "The change is happening so fast that a lot of them aren't going to be able to keep up."

In the 1990s alone, Berdegue estimates, grocery stores in Latin America more than doubled their share of retail food sales to about 60% of the market, a figure that could be closer to 70% today. Such a transition took half a century in the United States.

Several factors are driving the trend. Free-market policies adopted by many nations have attracted investment from foreign market chains, which have found profits in a region with fewer competitors than in industrialized countries.

Arkansas-based Wal-Mart Stores Inc. opened its first store outside the U.S., in Mexico, in 1991. In Latin America, it has since expanded to Argentina, Brazil, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. In Guatemala, Wal-Mart owns a 51% share in a chain of 145 stores that operate under the names Despensa Familiar, Supertiendas Paiz, ClubCo, Hiper Paiz and Maxi Bodega.

Latin America is urbanizing rapidly and more women are working, increasing demand for one-stop shopping.

A pregnant Paula Obiedo, 27, stopped by a Despensa Familiar this week in Guatemala City to buy beef in between housework and her job selling watches. She said she didn't trust the unrefrigerated meat at a traditional market a few blocks away. With a job, a husband, two small children and another on the way, she doesn't have time to hop from stall to stall. "Hygiene, price . . . and convenience," said Obiedo, explaining why she has become a supermarket regular.

To meet those high expectations, retailers such as Wal-Mart are requiring suppliers worldwide to meet stringent quality standards that dictate details such as the type of seed and post-harvest handling. It's no easy feat for large producers, much less peasant farmers with little capital or formal education.

To help bridge the knowledge gap, Wal-Mart has 40 agronomists on staff in Central America who work closely with growers such as Fermin Pec, who cultivates radishes, lettuce, cabbage and other vegetables on about 75 acres in San Pedro Sacatepequez.

"Their pickiness has helped me improve," said Pec, who employs 100 people and has been supplying supermarkets in Guatemala since 1990.

Most of the family farmers selected to participate in the Inclusive Market Alliance for Rural Entrepreneurs project started by Wal-Mart and other groups will need a lot more hand-holding, not to mention financing to buy seed and equipment. Wal-Mart has pledged $600,000 toward the effort, the U.S. Agency for International Development is kicking in $1.1 million, and the Portland, Ore.-based international relief organization Mercy Corps is contributing $500,000. A Guatemalan rural development nonprofit group will contribute technical training.

Among the biggest challenges is building trust. Nearly four decades of civil war ended in 1996, but it left Guatemala's countryside bristling with social tension. Land disputes are common. Farmers are accustomed to contentious relationships with produce wholesalers, who buy their harvests.

Known here as coyotes, these middlemen often take advantage of farmers' need for quick cash by paying them a fraction of the true market price, said Douglas Ovalle, who is coordinating the alliance project. The result is that farmers have no experience with binding commitments and feel little loyalty.

"If someone offers them 5 *quetzales* [about 65 cents] more, they'll sell to them," Ovalle said. "It's going to be a challenge to change that mind-set."

Other small producers suspect the big chains' "quality standards" are just a way to beat them down on price.

Working with farmers in South Africa, Michigan State's Weatherspoon said, he realized that many had never set foot in a modern grocery store. So he took a group of butternut squash growers to an upscale supermarket, where they saw their products freshly scrubbed and beautifully arranged. He said they came away proud.

"Now we understand why the buyers are so fussy," he recalled them saying.

Berdegue of the rural development center said mammoth supermarket chains must also change their thinking by making procurement procedures friendly to family farmers, such as paying them weekly instead of every month or two. He said governments and nonprofit groups needed to support these market-driven solutions with low-cost financing, training and other help for growers.

"We need proactive public policy . . . and [retailers] willing to adjust their business models," Berdegue said. "The alternative for many of these small farmers . . . is selling chewing gum in the street or migrating to the United States."

Source: The Los Angeles Times, Saturday, March 8, 2008

New TCB Resources

Development Gateway Member Directory – With over 30,000 registered members, the new Development Gateway (dg) Member Directory provides a one-stop shop for key contacts and collaboration worldwide. The directory enables the user to more easily contact fellow professionals in the international development community for expert advice, information, and collaboration. You will be able to find development practitioners from over 200 countries, with interests and expertise in dozens of areas, including your own! To become a member, log onto the dgCommunity platform by clicking on the following link:

http://topics.developmentgateway.org/um/user/showUserAccount.do?intcmp=925

Innovative Practices for Connecting Small-scale Producers with Local and Regional Markets – Small-scale agriculture, which supports the livelihoods of the majority of rural poor, is poorly prepared to cope with rapid changes taking place in agri-food markets in middle and low-income countries. These case studies provide examples of innovative practices in connecting small-scale producers with dynamic markets at the local or regional level. Based on significant fieldwork activities, the case studies provide examples of market links between small-scale producers and dynamic markets, focusing on four drivers of innovation: (1) public policy principles, (2) private business models, (3) collective action strategies by small-scale farmers, and (4) intervention strategies and methods of development agencies. The studies highlight policy lessons and suggest working methods to guide public and private actors. Download the case studies at:

http://www.regoverningmarkets.org/en/global/about_regoverning_markets.html

http://www.regoverningmarkets.org/en/global/innovative_practice.html

Shared Growth – Shared growth is economic growth in which a significant share of poor people improves their wellbeing by contributing to and benefiting from growth. While there is widespread agreement that economic growth is a necessary condition for sustained poverty reduction, there is ample evidence that the pattern of growth—how growth is generated and how it is distributed—is also critical for accelerating poverty reduction. Shared growth is not a new concept, yet there is still much to be learned about how to prioritize policy interventions to leverage greater poverty reduction from growth. The Overseas Development Institute (ODI) recently published two Briefing Papers on shared growth.

- “Supporting pro-poor growth processes: Implications for donors" by Eva Ludi and Kate Bird examines policies and programs to strengthen the productive capacities of poor people. The Briefing Paper is available here:

  http://www.odi.org.uk/publications/briefing/bp34-jan08-pro-poor-growth-donors.pdf

- The ODI Briefing Paper "The Political Economy of Pro-Poor Growth" by Kate Bird discusses the challenges to making growth policies pro-poor. It is available here:

http://www.odi.org.uk/publications/briefing/bp35-jan08-pro-poor-growth-political-economy.pdf

To see what the World Bank is doing on shared growth, go to:

http://go.worldbank.org/E65N0AA0E0

Source: World Bank PovertyNet Newsletter #111, February 2008

New TCB Resources…(continued)

The Political Economy of Poverty Reduction – Scaling Up Antipoverty Programs in the Developing World – This book, authored by Raj M. Desai, Visiting Fellow, Global Economy and Development, Wolfensohn Center for Development, The Brookings Institution, explores the challenges of "scaling up" small-scale antipoverty programs—taken here to mean the processes by which successful efforts to raise the incomes of the poorest citizens in developing counties are expanded in coverage over time and across geography. The author advocates supplementing approaches that highlight resource and program constraints with an expanded focus on the political dynamics involved in expanding pro-poor policies. Greater emphasis should be placed on understanding the political factors that limit the expansion and survivability of antipoverty programs. A broader view along these lines highlights the bargaining strength of beneficiaries, the need to secure public support, the potential for political misuse of antipoverty programs, and how institutional fragilities affect their sustainability. Antipoverty programs can be effectively scaled up if attention is paid to addressing these political and institutional challenges. An agenda for future research is also identified.

Source: http://www.brookings.edu/~/media/Files/rc/papers/2007/11_poverty_desai/11_poverty_desai.pdf

7th Annual A.T. Kearney/Foreign Policy Globalization Index (2007) – While the world's most integrated countries come in very different shapes and sizes, they have followed very different paths to globalization. The following provides a link to a graphic of the top 20 most globalized countries (none in the LAC region):

http://www.foreignpolicy.com/story/cms.php?story_id=3995&page=1

The Raw Index Data for all countries (including the LAC countries covered) is available at:

http://www.foreignpolicy.com/story/cms.php?story_id=3995&page=9

Read the cover article at: http://www.foreignpolicy.com/story/cms.php?story_id=3995

2008 Index of Economic Freedom – The Heritage Foundation has published its latest (2008) Index of Economic Freedom. Full details on the Index and where Latin American and Caribbean countries rank in this year's index are available at:

http://www.heritage.org/Index/countries.cfm

&

http://www.heritage.org/Index/

Upcoming Trade-Related Events Relevant to the LAC Region

(see pages 11-12)

Upcoming Trade-Related Events Relevant to the LAC Region

Invitation to participate in the Global Agro-industries e-Forum – The Food and Agriculture Organization of the United Nations (FAO), in partnership with the United Nations Industrial Development Organization (UNIDO), the International Fund for Agricultural Development (IFAD) and the Government of India (GOI), will convene a Global Agro-Industries Forum: Improving Competitiveness and Development Impact, in New Delhi, India, from April 8-11, 2008 (www.gaif08.org <file://www.gaif08.org/>). The Global Forum will bring together senior policy-makers from national and local governments, food industry leaders, UN technical agencies, civil society organizations and agro-industry specialists to discuss experiences and approaches to foster the development of competitive agro-industries. The Forum also aims to raise awareness, exchange information, and promote partnerships for future action.

An e-forum is being conducted in preparation for twelve "competitiveness round table discussions" that will be held during the Global Forum. The purpose of this e-forum is two-fold: (1) to open the roundtable discussions to the public, in an effort to identify issues and experiences to be brought to the attention of the round table panelists; and (2) to highlight areas of interest and priorities for a number of region-specific workshops expected to be organized following the Global Forum.

The twelve "competitiveness roundtables" have been set up under three clusters to address what we consider to be the major drivers of agro-industrial competitiveness:

Cluster 1: Organization and Services: Understanding markets; Business linkages; Organizing producers; Establishing clusters

Cluster 2: Development and Innovation: Meeting consumer requirements; Branded and certified products; Product development and innovation; Human resources development

Cluster 3: Operations and Enabling Environment: Improving productivity; Attracting Investment; Improving efficiency; Infrastructure development

The e-forum can be accessed through the following web-site:

http://www.gaif08.org/blog <http://www.gaif08.org/blog> .

Each roundtable topic introduces a thought provoking proposition to stimulate the start of the discussion. We wish to invite your contribution to any or all of the round table subjects.

The e-forum will continue up to the end of the Global Agro-industries Forum, April 11, 2008.

The Global Agro-Industries Forum Technical Committee. Rome, March of 2008

Making Cents International®

GLOBAL YOUTH ENTERPRISE CONFERENCE 2008

September 15-16, 2008 – Washington, DC

Call for Proposals!
Deadline: April 18, 2008
2008 Global Youth Enterprise Conference

Present to 350 other experts from the international youth enterprise, employment and livelihood community. The Call for Proposals is now open. Proposal submission deadline is April 18, 2008. Click here for more information. Practitioners, funders, members of the private sector, academics and youth leaders from over 25 countries and all sectors will share learning, innovations, and ideas for strengthening and expanding opportunities for young people around the world. The 2008 Global Youth Enterprise Conference will focus on two themes our community has identified as the highest priority:

- Market-Driven Approaches
- Effective Methodologies and Practices for Monitoring, Evaluating, and Conducting Impact Assessments.

By participating at the conference, you can expect to:

- **Network** face-to-face with funders, policy makers, youth leaders of the private sector and other professionals who, like you, are committed to reducing poverty, vulnerability and unemployment that plagues many of the world's youth.
- **Share** your experiences, tools, and innovative approaches in the areas of financial services, education, reaching scale, achieving sustainability and building partnerships.
- **Explore** strategies to successfully partner with the private sector -- including multinational corporations, small businesses, and microfinance institutions -- as well as other sectors.
- **Learn** from industry leaders in a variety of areas such as those who have developed effective livelihood programs to reach vulnerable youth in challenging environments, and those who have effectively placed themselves at the intersection of health and enterprise development for youth.

R E G I S T E R - Register early! Last year's Global Youth Microenterprise Conference sold out 45 days in advance and 50 people had to remain on the waiting list due to space limitations!

When: September 15-16, 2008
Where: George Washington University Cafritz Conference Center, Washington, DC

For more information, please visit:

www.youthenterpriseconference.org or contact us at: **conference@makingcents.com**