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**FTAA - COMMITTEE OF GOVERNMENT REPRESENTATIVES ON THE PARTICIPATION
 OF CIVIL SOCIETY**

COVER SHEET

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Number of Pages	4	Language	English / Spanish
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ISSUES ADDRESSED (Check all that apply)

Agriculture	Subsidies, Antidumping and Countervailing Duties	
Competition Policy	Civil Society	
Dispute Settlement	Electronic Commerce	
Government Procurement	Smaller Economies	x
Intellectual Property Rights	The FTAA Process	
Investment	Other:	
Market Access		
Services		

EXECUTIVE SUMMARY – 2 pages maximum – (see Open Invitation):

AGREED RECOMMENDATIONS

1. FTAA integration model

- (a) Within the FTAA integration model, the specific needs of all firms in smaller economies and small firms in larger economies must be taken into account.
- (b) Smaller economies must continue applying macroeconomic policies and should undertake institutional changes. A significant effort should be made to improve public administration and strengthen domestic policies.
- (c) It is important to identify funding sources to assist with adjustment costs in order to facilitate the integration of smaller economies into the FTAA.
- (d) The integration process must be consolidated and strengthened at the institutional level and negotiations must take into account trans-Atlantic, trans-Pacific and trans-hemispheric relations.
- (e) There should be a concrete follow-up process whereby a progress report concerning the implementation of recommendations made by this workshop to Ministers is forwarded to the private sector.

2. Critical trade issues

The following trade issues need to be given special attention with regard to the participation of smaller economies, such as:

- Trade disputes and their impact on the FTAA process
- Measures related to investment and capital flows
- Comprehensive services negotiations, especially regarding tourism
- Labour mobility, including the removal of the non-tariff barrier that business visas constitute
- Tariff liberalization and its impact on fiscal revenues - Facilitation of technical and financial assistance mechanisms
- Trade negotiation compatibility with the Lomé Convention and with WTO commitments
- The Tripartite Committee should undertake a socio-economic study of the impact the FTAA will have on all firms in smaller economies and small firms in larger economies.

3. Negotiation principles

- a. The Consultative Group on Smaller Economies should be upgraded to a full negotiating group.
- b. Each one of the negotiation groups should be mandated to deal with smaller economies issues within each technical area.
- c. The “single undertaking” (i.e. one single agreement) commitment should be maintained, but there should be provisions for preferential treatment, based on the level of development of each country.
- d. A transparent and efficient mechanism for the transfer of information between governments and the private sector must be established at the domestic level. Operational processes must be clearly defined.

4. Preferential treatment

- a. The principle of asymmetrical reciprocity and differential implementation targets must be adopted. Preferential treatment would also include earlier tariff reduction for exports from smaller economies, non-applicability of certain non-tariff measures and a business facilitation program for goods and services - in accordance with Article IV of the GATT – including capacity-building and information dissemination.
- b. The Generalized System of Preference (GSP) should be maintained or even extended in the framework of the “enabling cause” to ensure that smaller economies are not adversely affected by trade liberalization and that access conditions are maintained.
- c. The Generalized System of Preference (GSP) should be “grandfathered”.
- d. Duty free access should be granted to all imports from least developed and most vulnerable economies such as Haiti, as soon as possible.
- e. Smaller economies should be entitled to temporary exemptions to comply with specific FTAA commitments.
- f. Market access conditions must be improved for critical export products from smaller economies currently hindered by non-tariff barriers such as Dealer Protection Laws.

5. Financial and technical assistance, and training of human resources

1. It is recommended that given the critical importance of small firms - particularly those in smaller economies - as key actors in the process of free trade in hemispheric integration, private sector input and participation in the technical

- assistance process be ensured in order to provide for practical business experience and resources to support the process.
2. Countries of greater relative development should commit to provide smaller economies with technical and financial assistance to help them consolidate their institutional mechanisms, meet their obligations, exercise their rights, and comply with FTAA and WTO regulations.
 3. In its next meeting, the Board of Governors of the IDB should design a mechanism to make its regulations more flexible so as to increase financial assistance to smaller economies in order to improve their competitiveness and productivity, and ease their insertion into global markets.
 4. Developing countries should be permitted to link liberalization to transfer of technology requirements.
 - e. It is necessary to support the participation of smaller economies in multinational projects of technology transfer.
 - f. The IDB-INTAL should intensify more comprehensive training programs for negotiators to strengthen their negotiation capacity.
 - g. Given the complexity of the global economy, the Tripartite Committee should set up a training program for smaller economies throughout FTAA negotiations. Specifically, seminars should be organized to deal with intellectual property rights, competition policies, anti-dumping, and countervailing measures.
 - h. The private sector is requesting that all information concerning available technical assistance regarding FTAA issues be forwarded to Chambers of Commerce and Business Associations of smaller economies.
 - i. To compete on a globalized market, it is essential to upgrade labor skills and integrate the use of new technology. The quality of education must improve.

6. Participation of the private sector

- a. The private sector must consolidate its consultative mechanisms with governments at the domestic and hemispheric levels. To do so, it is necessary to hold at least one annual private/public seminar, which the Tripartite Committee should finance. This seminar would include a focus on all firms in smaller economies and small firms in larger economies.

7. Indigenous Nations within the FTAA

- a. An objective of the FTAA must be the revitalization of trade among indigenous peoples and nations.
- b. Trade and travel rights that already exist for indigenous nations must be honoured.

BUSINESS FACILITATION MEASURES

- a. We are recommending the earliest possible implementation of the following business facilitation measures:
 - Streamlining temporary importation/admission for certain goods related to business travelers - Expediting express shipments
 - Establishing simplified customs procedures for low value shipments
 - Elaborating and implementing codes of conduct for customs officials
 - Encouraging the use of risk analysis/targeting methodology to enforce customs procedures on high risk goods and travelers
 - Applying the 1996 Harmonized Commodity description and code system at the 6-digit level
 - Developing common data elements and compatible electronic data interchange (EDI) systems
 - Disseminating current, user-friendly information on customs procedures.
- b. Special focus must be placed on the participation and special requirements of micro, small and medium-sized firms, on a cross-national basis, in the FTAA process. The Consultative Group on Smaller Economies should expand its focus to include this special and unique aspect of small size and economic vulnerability in the negotiations.
- c. Governments should commit to undertake policy reforms so as to foster the development of small and medium-sized firms -particularly in smaller economies- given that such firms make up the economic foundation of nations.
- d. Governments must foster intraregional investment to improve production in smaller economies.
- e. Developed countries should endeavour to work with smaller economies in order to reduce trade related financial risks. To do so, it is essential to diversify export goods and ensure continuous access for their main export products. Trade-opening measures must be taken.
- f. The Tripartite Committee should start a Bulletin Board System to disseminate information to small firms, particularly in smaller economies, regarding business opportunities in each industry.
- g. It is recommended that the Tripartite Committee promote investment missions to smaller economies, organized by business associations throughout the hemisphere.

AREAS OF DIVERGENCE

- a. No “WTO-plus” conditions should be accepted, not even in an exceptional or temporary manner.
- b. Full participation in the negotiation process must be secured for Indigenous Nations, and any amendments to the FTAA affecting those nations must receive their consent.

Chair: Peter King, Jamaica Vice-chair: Enrique Lacs, Guatemala

Rapporteur: Alexandra Levy, Canada Vice-rapporteur: Hermes Grisoni, Argentina