



# CAFTA Facts

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

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## **CAFTA - Labor and Environment Capacity Building**

***For labor and environment, \$20 million in U.S. Government assistance has been allocated specifically for capacity building efforts under CAFTA with 5 immediate priorities listed below. To continue these positive efforts, the Administration also supports a request for \$40 million for FY06, and will propose and support similar levels of funding through FY09, with the exact form and level of assistance to be decided on a country-specific basis.***

### **Improving Labor:**

The following areas for labor capacity building in Central America and the Dominican Republic were identified through a cooperative process with recipient countries and reflect on-going needs that are identified in the April 2005 "White Paper" of the Working Group of the Vice Ministers Responsible for Trade and Labor in the Countries of Central America and the Dominican Republic.<sup>1</sup>

#### **1. Modernize the Labor Justice System - \$7 million**

*Focus on building public awareness and knowledge of labor and international labor standards, particularly among judges, academics, and others involved in labor law administration and justice.*

- Implement a comprehensive training program for judges, lawyers, and clerks on national labor laws and the application of fundamental international labor standards
- Develop a web-based data base of jurisprudence of precedent labor law cases to ensure consistency in administration of labor justice
- Enhance existing or install new electronic case management systems for labor cases and train administrative staff in their use
- Train judges and administrative personnel in implementing new laws establishing oral proceedings to expedite the resolution of court cases
- Provide labor courts with computers, software, and other related equipment to improve efficiency

#### **2. Strengthen Ministry Capacity to Enforce Labor Laws, Conduct Inspections, and Resolve Labor Disputes - \$7 million**

*Focus on the basic elements of the labor ministries to ensure transparency, accountability, and objectivity in their operations.*

- Provide labor inspectorates with vehicles to carry out inspections
- Expand case management systems for inspections from headquarters to regional offices by providing computers and software and training staff

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<sup>1</sup> *The Labor Dimension in Central America and the Dominican Republic--Building on Progress: Strengthening Compliance and Enhancing Capacity*, April 2005 (commonly known as the "White Paper").

- Strengthen internet capabilities to facilitate communication between headquarters and regional labor offices
- Provide training in labor law enforcement for inspectors, especially those in regional offices
- Support development of Alternative Dispute Resolution Centers (ADR) throughout the countries through training of ministry staff in ADR, mediation and conciliation and the provision of computer equipment and related software
- Train representatives of workers and employers in mediation, conciliation and ADR
- Provide comprehensive training on fundamental international labor rights and national labor laws for workers and employers

### **3. Reduce Discrimination against Women and Harassment in the *Maquilas* - \$2 million**

*Focus on providing resources and training personnel to deal with anti-discrimination issues.*

- Train inspectors in effective enforcement and compliance strategies targeted to labor laws preventing employment discrimination against women and sexual harassment in the workplace, particularly with respect to pregnancy testing that violates the law
- Conduct public awareness campaigns to educate employers and women about the importance of protecting women's rights in the workplace, and the procedures available to ensure protection of women's rights, with special attention to women working in the maquilas

### **4. Benchmarking, Verification, and Monitoring Progress - \$3 million**

*Focus on establishing benchmarks and subsequent assessments for each of the agreed labor capacity building areas.*

- The ILO, with the cooperation of the Inter-American Development Bank and other donors, will work with Ministries of Labor and individual project implementing organizations to establish benchmarks and subsequent assessments for each of the agreed labor capacity building areas
- The ILO will prepare and issue a report of its findings every six months

## **Improving Environment:**

### **5. Supporting the Environmental Cooperation Agreement - \$1 million**

*Focus on using an additional \$1 million to support the Environmental Cooperation Agreement, building on USAID funding, which has averaged almost \$24 million over the last three years.*

- Improve capacity to comply with international environmental obligations, particularly CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora)
- Strengthen Environmental Institutions and enforcement capabilities
- Improve environmental management systems, including a pollutant release and transfer registry (PRTR) to monitor the release of chemical pollutants so that policymakers and the public can benchmark efforts to reduce pollution