

PARTICIPANT TRAINING PROGRAM POST PROGRAM REPORT

TRADE POLICY AND NEGOTIATIONS KOSOVO STUDY TOUR

**AUGUST 26 – SEPTEMBER 4
WASHINGTON, D.C. 2005**



The Kosovar officials at a visit in the US Congress.

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TABLE OF CONTENTS

I. Introduction	3
II. Professional Program	4
Program Summary	4
Program Highlights	5
Program Conclusion	7
Follow On Activities	7
Media Coverage	7
III. Cultural Activities	8

Kosovo Trade Policy Decision Making & Negotiation Skills Development



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INTRODUCTION

Ten participants from Kosovo participated in a professional training program which was focused on the theme of advancing the Kosovar Trade Policy Decision-Making and Negotiation Skills Development. The training program was held in Washington, D.C. from August 26— September 4, 2005. The participants included Kadri Kryeziu, *Deputy Minister*, Ministry of Trade and Industry; Bajrush Xhemaili, *Vice President of the Office for Economy, Trade & Industry*, Assembly of Kosova; Fatmir Rexhepi, *Chair of the Committee of Finance & Economy*, Assembly of Kosova; Ejup Fejza, *Director of Trade Department*, Ministry of Trade and Industry; Shqipe Gashi, *Coordinator for Trade Policy*, Ministry of Trade and Industry; Hysni Nura, *Senior Officer for Agricultural Policies*, Ministry of Agriculture, Forestry and Rural Development; Gazmend Qorraj, *Adviser to the Minister*, Ministry of Economy and Finance; Bujar Zeneli, *Director of Department of Industry*, Ministry of Trade and Industry; Driton Qehaja, *Office of the Prime Minister*.



Patrick Macrory, *CIP's Program Facilitator and International Trade Lawyer* getting ready for an overview session on US Trade Policy.

This Participant Training Program was provided by the **Center for International Programs (CIP)** of Valbin Corporation, administered by **World Learning** and sponsored by **USAID**. The program was intense featuring heavy exposure of the Kosovar officials to the U.S. trade policy system, Free Trade Agreement (FTA) negotiations and inter-agency coordination in trade. The meetings revealed substantial interest from both sides and created opportunities for further informational exchange.

The return on investment into such programs cannot be overestimated taking into account Kosovo's role in contributing to stability and development in the region.

This program proved to be valuable to Kosovo as it is getting ready for its final status settlement and is in the process of negotiating free trade agreements with its neighbors, such as Bosnia and Herzegovina, Croatia, Bulgaria and Moldova. Currently Kosovo holds only two Free Trade Agreements (FTAs) with Albania and Macedonia.

Mr. Patrick Macrory, *CIP's Program Facilitator and International Trade Expert* facilitated the learning experience of the Kosovar officials throughout their training in the US. CIP's team supported the participants to continuously translate what they learned from different US trade actors to the realities in Kosovo. The Study Tour was well planned and smoothly coordinated on a daily basis. Each training session and activity corresponded with the participants' interests. The program provided to the participants contacts with knowledgeable experts representing US Government agencies and organizations from all sectors including private, and non-profit. Both sides demonstrated unique expertise and shared professional opinions on the most challenging aspects of trade policy decision making, FTA negotiations, and other trade related issues.

PROFESSIONAL TRAINING PROGRAM

The ten day professional participant training program aimed to provide ideas and guidance to the Kosovar officials for improving their trade policy formulation and coordination, as well as practical preparation on improving their skills in Free Trade Agreement (FTA) negotiations. During this study tour in Washington, DC, the Kosovar delegates participated in academic discussions, workshops, and professional meetings to learn directly from the experiences of their US counterparts.

Some of the meetings the delegation held while in Washington D.C. included meetings and sessions with leaders, influential individuals and organizations in the US Capital such as the US Department of State (DOS), The US Trade Representative (USTR), The US Department of Agriculture (USDA), US Department of Commerce (DOC), International Trade Commission (ITC), Congressional Subcommittee on Trade (minority), the National Foreign Trade Council (NFTC) and other professionals who specialize in trade. Each day concluded with a debriefing session facilitated by CIP's Director Valbona Sherifi and CIP's Program Facilitator Patrick Macroty to help the delegation translate the knowledge obtained during this training program into a group action plan to improve an aspect of trade in Kosovo.



Kosovar Trade officials in a meeting with the Deputy Director for Kosovo, Mr. John Erath at the US Department of State.

PROGRAM HIGHLIGHTS

Meeting at the United States Trade Representative (USTR)



Ambassador Sean Donnelly, Assistant USTR for Europe discussing US Policy Coordination with officials from various ministries of Kosovo.

The Kosovar trade officials met at the USTR with Ambassador Sean Donnelly, *Assistant U.S.T.R. for Europe and the Middle East*, and Carmen Suro-Bredie, *Assistant U.S.T.R. for Trade Policy Coordination*. Ambassador Donnelly described the structure and function of USTR. Ambassador Donnelly said that the United States supported the integration that was taking place in the Balkans, which he believed it would lead to greater economic and political stability.

Ms. Suro-Bredie discussed the organization and functions of USTR in more detail. She noted that USTR hires its personnel from other agencies, usually people who had had at least ten years working on trade issues at those agencies. USTR drew on teams of experts from the other agencies when conducting negotiations. At the meeting Ms. Suro-Bredie shared with the delegation a copy of the U.S. Trade Policy Agenda for 2005, which is prepared and published annually under the President's signature. The US Trade Policy Agenda is developed by USTR with input from the other interested agencies. The participants took great interest in the document, which they would use as guidance in building Kosovo's 2006 Trade Policy Agenda. As one of the participants, Mr. Ejup Fejza put it "this meeting provided a roadmap to the vision of all the participants on how to develop trade policies and understand who are all stakeholders in trade policy decision making process."

Training Session on the Importance of Legal Analysis of FTA's - USTR, ITC and USDA

Three senior officials Mr. James Mendenhall, *Acting General Counsel of USTR*, Mr. James Lyons, *General Counsel, International Trade Commission (ITC)* and Mr. Peter Bonner, *Senior Counsel, U.S. Department of Agriculture (USDA)* debriefed the delegation on the importance of making legal analysis of all free trade agreements prior and in the process of FTA negotiations.



Mr. James Mendenhall, *Acting General Counsel of USTR*, explaining to the participants from Kosovo the importance of legal analysis in all trade agreements.

Mr. Mendenhall noted that trade lawyers were involved in the trade agreement process as technicians, advocates, and defenders. Twenty percent of USTR's staff are lawyers. Trade lawyers are involved in monitoring and enforcement, negotiation, legislation, and administration. The role of lawyers in the trade process has changed, in part because the World Trade Organization (WTO), unlike the General Agreement on Trade and Tariffs (GATT), produces binding rulings. Also, more and more companies are dependent on foreign markets. International trade agreements are more like legal codes than treaties.



Program participant Mr. Hysni Nura—Kosovar official from the Ministry of Agriculture in a dialogue with his US counterpart, Mr. Peter Bonner, Senior Counsel at USDA.

Mr. Bonner said that lawyers at USDA perform similar functions to those at USTR, on a secondary level. They prepare legislation, regulations, or other ways of complying with U.S. international obligations. Whereas the GATT had operated more at a diplomatic level, the WTO had become extremely legalistic. More and more countries are increasingly including lawyers in the process.

Mr. Lyons said that the role of lawyers at the ITC was to identify the scope of the agency's authority and to advise the Commission on the consistency of particular courses of action with regard to its obligations. The ITC plays a limited role in international negotiations, it simply acts as a technical adviser.

Realizing the importance of legal analysis of various trade agreements, the *Deputy Minister of Trade and Industry* from Kosovo, Mr. Kadri Kryeziu requested to his US counterparts whether the International Trade Commission could help Kosovo set up a similar body. It was suggested that this be further discussed with World Learning and the USAID mission in Kosovo.

Meeting with the International Trade Commission (ITC) - Importance of Economic Analysis in Trade Policy Changes and Free Trade Agreements.

Catherine DeFillippo, *Chief, Applied Economics Division* at the ITC, William Dees, *ITC Research Division*, and Mr. Dan Klett, *Capital Trade (former ITC economist)* met with the Kosovar officials to share their professional experience and emphasize the importance of economic analysis of a trade policy change or trade agreement and understanding the kind of impact such policy changes cause in the country's economy. Dr. DeFillippo began by describing the functions of the ITC and the role of economists within the Commission.



Mr. Dan Klett, International Economist in a presentation to the Kosovar participants about the economic impact of trade policy decisions at the International Trade Commission (ITC).

Dr. Klett made a presentation in which he first described some of the key trade issues affecting Kosovo. He then described the different types of economic techniques used to analyze trade issues such as the general equilibrium approach (GTAP), the partial equilibrium and the time series and regression analysis. The first two were used to predict the outcome of changes in trade policy; the last to determine the effect of a change after it had taken place.

The participants expressed great interest in the subject matter and in the use of GTAP. In answer to a question from one of the participants, it was explained that the GTAP

software could be purchased from Purdue University, and that any country that supplied data for GTAP received a free copy. Dr. Dees explained that the ITC started with the GTAP model and then adjusted the data base as seemed appropriate. The model cannot directly predict the effect of eliminating non-tariff barriers (NTB), but it is possible to do so indirectly by estimating the tariff equivalents of the NTBs.

Workshop with Balkan Trade Specialist, Kent Ford : Inclusion of Private Sector in Trade Policy

Mr. Ford, *former country director of USAID's Kosovo Business Support project* met with the delegation to discuss Kosovo's current challenges in its trade relations with neighboring countries and to encourage the delegation to work closely with the private sector so Kosovo could best face and overcome challenges in trade. He said that Kosovo faced two basic problems. Its fiscal policy for domestic producers was inadequate – taxes were high, and rebates on imports were delayed. In addition, it faced discrimination on the part of other countries in the region, which sometimes did not let Kosovo products in.

Mr. Ford also emphasized that it is essential to set up private sector advisory committees. Committees made up of representatives of trade associations are the most user friendly. Such advisory committees would act as coordinating bodies, bringing together the views of all of the sectors.



Mr. Ejup Fejza, *Director of Trade, Ministry of Trade and Industry* discusses with *Balkan trade specialist Mr. Kent Ford* and *CIP's Trade Program Facilitator Mr. Patrick Macrorory* the current challenges of Kosovo's trade with neighboring countries.

Workshop on Inter-Ministerial Processes on Trade Policy Formulation and FTA Negotiations—
Department of Commerce

During a two hour meeting with Mr. Stephen D. Gardner, *Acting Chief Counsel for the Commercial Law Department (CLDP), Department of Commerce (DOC)*, the participants learned about the organizational structure and functions of the DOC in general and the role of the CLDP. This session especially concentrated on inter-ministerial process, both for trade policy development, and for reporting to the WTO. Mr. Gardner concentrated his presentation on how the Provisional Self Institute for Government (PISG) of Kosovo can put together processes to accomplish its trade policy objectives. The presentation brought examples of successful processes and programs that the DOC has implemented in the region such as Moldova and Albania and soon in Bosnia. In addition, Mr. Gardner noted that CDLP was heavily involved in the Balkans. It had helped countries in the region negotiate FTAs, and to identify non-tariff barriers. It was working mostly on agriculture and standards issue, especially sanitary and phyto-sanitary measures.

PROGRAM CONCLUSION

The program was a success. The interests of the participants were well matched with the activities scheduled. As one of the participants Shqipe Gashi, Trade Policy Coordinator—Kosovo Ministry of Trade and Industry, stated “Every part of the program was interesting and useful. There was nothing that we did not like. Most importantly we had a chance to visit face to face with officials from important US institutions and learned directly from the experience of our US counter parts.” Mr. Kadri Kryeziu, Deputy Minister of Trade and Industry, echoed the impressions of other participants in the program “this training experience has enabled us to work as a group, coordinate and be ready for negotiating free trade agreements for Kosovo with other countries.” The delegation had informative and practical meetings, which they can apply to their work upon return to Kosovo.



CIP Director, Valbona Sherifi in a planning session with participants Ejup Fejza and Shqipe Gashi from the Ministry of Trade and Industry—Kosovo.

Follow On Activity—Action Plans

Inspired by this program and the professional experience gained in the US the delegation created a group action plan which they would implement upon return. The group action plan calls for practical preparations for Kosovo’ WTO accession, quickly and in best terms, when and if Kosovo becomes independent. All steps for WTO accession preparations were outlined in the group action plan with specific duties and timelines to be performed in the next sixth months. The Center of International Programs (CIP) will enable the participants to remain in contact with each other and the network established during this training program by creating and moderating a listserv “Kosovo Trade”. For more information or to post on this listserv please contact internationalprograms@valbin.org.

Media Coverage

Voice of America, Albanian Service followed closely the different activities of this Participant Training Program. Besides two live interviews with participants from the program, the Albanian Service, VOA also covered the welcome dinner event with VIPs. FTAs.



Participant Driton Qehaja in an interview with journalist Astrit Lulushi, Albanian Service—VOA.



Cultural Activities

Besides the 8-day professional program which offered networking opportunities to the delegation, the CIP also organized with the help of Ben Qerimi cultural events such as boat trip along the Potomac, visit to Mt. Vernon, House of First US President George Washington, Kennedy Center, Art Performance, visit to the American Museum of Natural Theater, Imax Movie etc.

Special Thanks to:

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