

2005 Joint WTO/OECD Report on Trade-Related Technical Assistance and Capacity Building

Preface

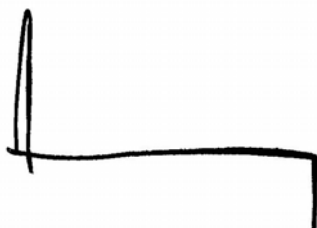
Concluding the Doha negotiations by the end of 2006, with the focus on development, is the number one priority for both of our Organisations and for the international community. As Ministers prepare to gather in Hong Kong, China for the Sixth Ministerial Conference of the World Trade Organization, we are pleased to present the 2005 report on the response of donors to the challenge of the Doha Development Agenda to provide trade-related technical assistance and capacity building (TRTA/CB) to least-developed, developing and transition countries.

The report draws on the Doha Development Agenda Trade Capacity Building Database (TCBDB) that was launched by the WTO and OECD Secretariats in November 2002 along with the first of these reports. This comprehensive, user-friendly tool aims to assist the development and trade policy communities to achieve higher degrees of co-ordination and coherence, avoid duplication, share information, and monitor the implementation of commitments registered in the Doha Ministerial Declaration. The database and this fourth report cover activities in 2001- 2004 and part of 2005 and beyond.

Although only one stage in the process of enhancing multilateral and bilateral collaboration in the delivery of assistance, the database has proved a useful and functional tool to show evidence of assistance planned/delivered and improve understanding of the multiplicity of programmes. In so doing, it helps to identify where additional efforts should be applied. This 2005 report contains some new features. These include time series showing the consolidation of the increased volume of TRTA/CB recorded in 2003, and a focus on two significant DDA developments. First, the implementation of the development assistance aspects of the cotton-related decisions by the WTO General Council in the 2004 July Package. Second, the launch of the WTO negotiations on trade facilitation. The report shows the recent trends of assistance dedicated to these two areas.

For the first time, a CD-ROM containing the full database is attached to this report; this will be particularly useful to those users with unreliable internet access. In addition, a short summary - "TCB at a glance" - has been added showing, for each provider of TRTA/CB, a quick overview of the volume of assistance, strategy, objectives, and geographical and thematic areas. We are confident that the TCBDB will continue to prove its value as a tool to help the global community maximize the effectiveness of trade-related technical assistance and capacity building in supporting development.

Finally, we hope our joint efforts will also be useful in the context of delivering on the Aid for Trade commitments that the international community made to developing countries, in particular the least-developed, to help translate the benefits of the Doha Development Agenda into realities.



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The Trade Capacity Building Database can be accessed at
<http://tcbdb.wto.org>

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I. Overview

The joint WTO/OECD Trade Capacity Building Database (TCBDB) contains almost 15 000 activities for 2001 to 2006, provided by more than 40 bilateral donors and multilateral agencies. This report presents an overview of Trade-Related Technical Assistance and Capacity Building (TRTA/CB) committed between 2001 and 2004, based on data reported to the TCBDB.

After the sharp increase recorded in 2003, TRTA/CB was consolidated in 2004. While commitments to activities aiming to assist beneficiary countries in the area of *trade policy and regulations* decreased from US\$934 million to US\$811 million, mainly due to the programming cycles of some of the main donors, the volume of aid committed to *trade development* rose by US\$140 million, to reach US\$2.2 billion in 2004. In addition to these TRTA/CB activities, donors committed US\$9.3 billion to support economic infrastructure – transport, energy and telecommunications – which is essential for international trade.

Within the overall decrease of assistance to *trade policy and regulations*, assistance to trade facilitation rose sharply in 2004. Within aid to *trade development*, support increased most significantly for e-commerce, trade finance and for market development in the industry and agriculture sectors. On the development aspects of the cotton initiative, total TRTA/CB related to cotton committed for Africa reached US\$63.5 million in 2004, five times its level of 2002-2003. Funding to multilateral trust funds and programmes – such as the Doha Development Agenda Global Trust Fund (DDAGTF), the Integrated Framework and the JITAP – remained stable in 2004.

In 2003, least-developed countries (LDCs) had a 25% share of total commitments of TRTA/CB commitments due to many multi-year commitments. In 2004, their share fell to 16% of commitments to *trade policy and regulations* and 20% of commitments for support to *trade development*.

OECD/DAC simulations based on public announcement from major donors indicate that total Official Development Assistance (ODA) could increase from nearly US\$80 billion in 2004 to US\$130 billion in 2010, i.e. a rise of US\$50 billion, of which half will benefit Africa. In 2003, TRTA/CB equalled to 4.4% of total aid commitments, while infrastructure had a 25% share¹. With increased attention to trade and infrastructure to help achieve the MDGs, the volume of assistance to help developing countries to participate more, and more effectively, in international trade could rise significantly in the coming years.

The OECD TRTA/CB Survey confirms that bilateral donors and multilateral agencies have become much more active in TRTA/CB over the last few years. This increased activity is not only reflected in increased funding for TRTA/CB, but also in the number of donors and agencies with explicit strategies and programming guidelines for TRTA/CB; enhanced awareness among donors of the importance of TRTA/CB for development and poverty reduction; and the strengthened, and sometimes institutionalised, dialogue between development and trade practitioners. In addition, several donors and agencies undertook ambitious reviews of their own bilateral TRTA/CB programmes and/or their participation in multilateral programmes, in order to assess the effectiveness of their TRTA/CB activities.

¹ OECD estimates, calculated on sector-allocable Official Development Assistance (ODA). 2004 data are not yet available.

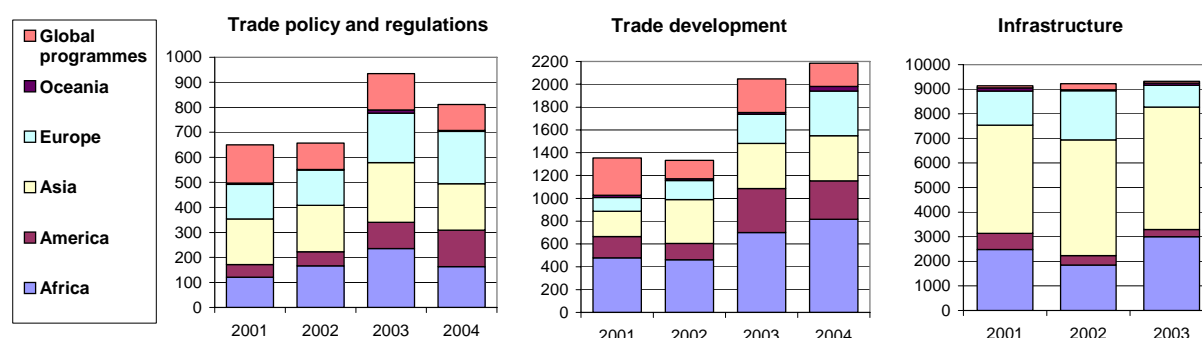
II. Trends in TRTA/CB

This report analyses trade-related aid under three headings:

- *trade policy and regulations* - to help countries negotiate, reform and prepare for closer integration in the multilateral trading system;
- *trade development* - to help enterprises engage in trade, reinforce business support structures and develop the business climate; and
- *infrastructure* - to help countries build the physical infrastructure required to move goods and export successfully.

Trade-related technical assistance and capacity building remained stable in 2004, after the huge increase of 2003. Commitments for *trade policy and regulations* amounted to US\$811 million, a decline compared to 2003, but still much higher than the 2001-2002 level. The decrease in 2004 is mainly due to the programming cycle of major donors, in particular the European Commission (EC), which accounts for some 40% of total commitments to *trade policy and regulations*². On the other hand, commitments for *trade development* activities increased slightly in 2004, to reach US\$2.2 billion, which consolidated the rise recorded in 2003. Assistance to build infrastructure was also maintained, and amounted to US\$9.3 billion in 2003 (chart 1).

**Chart 1 - Distribution of TRTA/CB and infrastructure
by region and main category – US\$ million**



These amounts cannot be summed to give an overall value for TRTA/CB (see the box on the next page). Assistance to *trade policy and regulations* is often delivered through training sessions and workshops, at a relatively low cost but with a potentially high payback in terms of institutional capacity building. In contrast, general assistance to the business sector and agricultural or industrial trade-related projects is greater in value, but only part of the project may build trade capacity. Assistance to *infrastructure* is “capital intensive” and so high cost.

In 2004, aid to *trade policy and regulations* increased in America, but decreased in Africa and Asia and for global programmes. This is due to the programming cycle of large donors as the EC, Canada, Japan, and the United Kingdom, who made significant multi-year commitments to *trade policy and regulations* in 2003. The analysis of 2004 commitments to *trade development* activities show a slight increase for Africa and Europe, and a decrease for America and global programmes. An example of the latter is the regional programme financed by the United Kingdom to improve the economic opportunities for traders operating in Africa.

As for economic infrastructure, Asia remains by far the largest recipient region – due to the number of populous countries in the region. Aid for infrastructure in Africa increased by 60% from its low point in 2002 to reach US\$3 billion in 2003.

² Preliminary figures for 2005 show that EC commitments to trade policy and regulations will recover to exceed their 2003 level.

Box 1. Definitions and categories

For the purposes of data collection, TRTA/CB was defined as activities that intend to enhance the ability of the recipient country to:

- formulate and implement a trade development strategy and create an enabling environment for increasing the volume and value-added of exports, diversifying export products and markets and increasing foreign investment to generate jobs and trade; **or**
- stimulate trade by domestic firms and encourage investment in trade-oriented industries; **or**
- participate in and benefit from the institutions, negotiations and processes that shape national trade policy and the rules and practices of international commerce.

Activities were further classified under two main categories. (The list of sub-categories and their definitions is given in Annex 1)

- **Trade policy and regulations** covers support to aid recipients' effective participation in multilateral trade negotiations, analysis and implementation of multilateral trade agreements, trade policy mainstreaming and technical standards, trade facilitation including tariff structures and customs regimes, support to regional trade arrangements and human resources development in trade.
- **Trade development** covers business development and activities aimed at improving the business climate, access to trade finance, and trade promotion in the productive sectors (agriculture, forestry, fishing, industry, mining, tourism, services), including at the institutional and enterprise level.

Activities to enhance the infrastructure necessary for trade - transport, storage, communications and energy - are *excluded* from the annual TCBDB data collection. The fact that roads, telephones or electricity are part of a network makes it difficult to assess to what extent they focus on international trade. For example, it would be wrong to say that the construction of a road is "trade-related" because it goes to a port, while the construction of a rural road in a coffee growing region is not. Hence in this report, all aid to infrastructure is deemed, *inter alia*, to assist international trade. Data on aid to infrastructure collected in the OECD's Creditor Reporting System (CRS) were therefore considered as sufficient to cover this aspect of trade-related assistance.³ The TCBDB provides direct access to the CRS on-line database that permits examination of aid to infrastructure at the level of individual activities or aggregated by donor, recipient and/or sector.

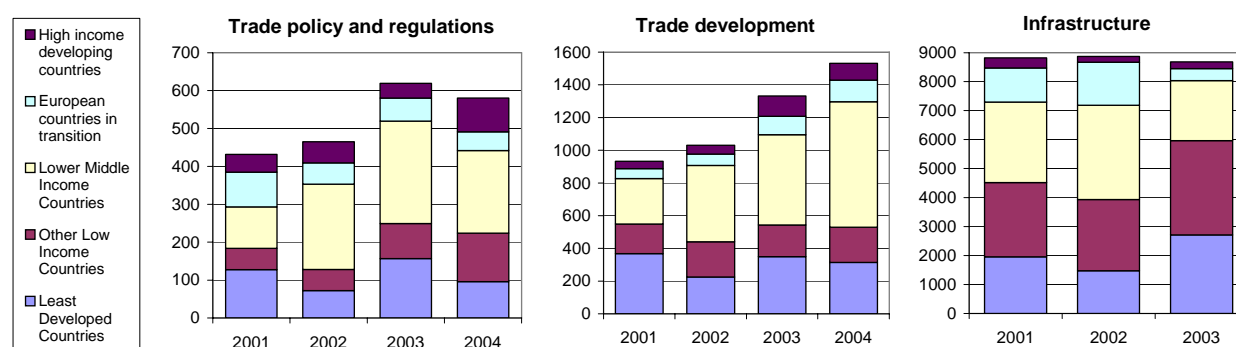
While TRTA/CB under the category *trade policy and regulations* can be considered as extended with the sole purpose of promoting trade, *trade development* (and, to an even greater extent, *infrastructure*) activities generally have another major objective (e.g. agricultural or industrial development). For example, while coffee export development is clearly "trade-related", its primary objective is to foster the development of the agricultural sector. Given these variations in the degree of focus on trade capacity, it is preferable to avoid direct comparisons of the amounts between the three categories.

Furthermore, in the category *trade development*, a number of donors isolated the trade component of each activity, whereas others reported the whole activity notifying it as trade-related. Although some work to harmonise donors' approaches has been done, the total amounts of TRTA/CB per donor in this category should be interpreted with caution.

The breakdown by income groups (see chart 2) shows a decrease of assistance for *trade policy and regulations* to LDCs – from a peak of US\$157 million in 2003 to US\$96 million in 2004. As explained above, this is mainly due to the programming cycle of the EC, who reported in 2003 almost US\$90 million of commitments to LDCs, many of them for multi-year programmes. On the other hand, aid to Other Low Income Countries (OLICs) increased, with for example a large programme implemented by the World Bank in Vietnam for customs modernisation. Aid to *trade policy and regulations* also increased for the group of High Income developing countries in 2004, with for example the Integrated Border Management project financed by the EC in Croatia.

³ The 23 DAC Members currently report to the CRS. The multilateral agencies providing data to the CRS include the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, IFAD, UNAIDS, UNFPA, UNICEF and the World Bank. As CRS data for 2004 data are still incomplete, the data on aid to infrastructure presented in this report relate to commitments from 2001 to 2003.

**Chart 2 - Distribution of TRTA/CB and infrastructure
by income group⁴ and main category – US\$ million⁵**



As regards *trade development*, assistance to LDCs also decreased, though much less sharply. Lower Middle Income Countries (LMICs) benefited from an increase of aid to this category in 2004, with for example sizeable programmes for economic development in Serbia & Montenegro committed by the EC and a Commodity Import Program in Egypt committed by the United States.

The distribution by income group of aid to economic *infrastructure* reflects a recovery for the LDCs and OLCs, with a declining share for LMICs and European countries in transition.

1. Trade Policy and Regulations

Assistance to *trade policy and regulations* declined in 2004 in almost all sub-categories (Table 1). **Trade facilitation** was the only category that saw a substantial increase in 2004, from US\$283 million to US\$372 million, or almost the half of the total commitments to *trade policy and regulations*. This reflected the decision by the WTO General Council to commence negotiations on this issue⁶ (see the box below for more details on trade facilitation). Although declining compared to 2003, **trade mainstreaming** was the second category in 2004, with total commitments of US\$124 million, of which 40% was for global programmes.

Within multilateral trade negotiations and agreements, almost all categories also declined or stayed stable: only assistance for the **agriculture** negotiations, and **trade and competition** increased. Global programmes and regional programmes in Africa benefited the most of the increase of assistance to agriculture negotiations – with for example a global programme financed by the United Kingdom and implemented by the FAO to better understand the impact on developing countries of the agricultural policies of the OECD countries. As for assistance to trade & competition, low income countries in Asia and America were the main beneficiaries of the increase; an example is the National Innovation & Competitiveness Program financed by the United States in Afghanistan. The decrease of assistance to accession and to trade negotiation techniques is mainly due to the programming cycle of the EC, one of the major donors in both of these categories.

In 2004, commitments for assistance to **technical standards**, which increased substantially in 2003, went back to their 2002 level. Asia and Europe were still the main beneficiaries of this type of assistance, but the share of Africa increased in 2004. France was active in technical standards in 2004, with for example standardisation and conformity programmes in Poland and Algeria, the latter implemented by UNIDO. Aid to **trade education/training** decreased by half in 2004; Japan was one of the top donors in this category, with in particular several training sessions for Indonesia.

⁴ See the list of income groups at the end of the report.

⁵ Calculated on country allocable amounts. In consequence, regional and global programmes are excluded from the chart.

⁶ Decision adopted by the General Council on 1 August 2004 on the Doha Work Programme (WT/L/579).

Table 1 – Assistance to trade policy and regulations from 2001 to 2004 – US\$ million

	2001	2002	2003	2004
<i>Trade mainstreaming in PRSPs/development plans</i>	<i>122</i>	<i>73</i>	<i>144</i>	<i>124</i>
Technical barriers to trade (TBT)	28	27	59	41
Sanitary and phytosanitary measures (SPS)	99	34	64	25
Total technical standards	127	61	122	66
Trade facilitation procedures	101	134	265	327
Customs valuation	4	17	18	44
Tariff reforms	0	0	1	1
Total Trade facilitation	105	151	283	372
Regional trade agreements	56	163	166	95
Accession	13	25	27	8
Dispute settlement	3	3	3	2
Trade-related intellectual property rights (TRIPS)	13	9	13	13
Agriculture	11	4	9	13
Services	5	18	5	4
Tariff negotiations - non-agricultural market access	6	3	3	3
Rules	9	2	1	1
Training in trade negotiation techniques	9	8	13	1
Trade and environment	83	33	28	28
Trade and competition	41	32	28	36
Trade and investment	9	12	8	2
Transparency and government procurement	2	2	7	7
Total Multilateral trade negotiations and agreements	204	152	145	118
Trade education/training	37	57	73	36
TOTAL TRADE POLICY AND REGULATIONS	650	657	934	811

2. Trade Development

After a large increase in 2003, assistance to *trade development* was consolidated in 2004 (Table 2). Assistance to **trade promotion**, though slightly decreasing, is still the main category, and amounted to US\$653 million in 2004; an example is the EC programme aiming to build capacity in the Serbian Export and Investment Promotion Agency. On the other hand, the volume of aid to **market development** increased in 2004, to reach US\$561 million; one major programme committed in 2004 was the World Bank's agricultural competitiveness and diversification project in Mali.

Assistance to **trade finance** increased also in 2004, to reach US\$461 million, with for example support from the United States to the financial sector in Afghanistan and Iraq in order to favour trade in these countries. Assistance to general **business support** and to **public-private networking** decreased in 2004, while aid to **e-commerce**, though still relatively small, was on the increase.

Africa was by the far the largest beneficiary region in e-commerce, trade finance, trade promotion and market development categories, while the assistance to business support and public-private networking was more equally shared between regions.

Table 2 – Assistance to trade development from 2001 to 2004 – US\$ million

	2001	2002	2003	2004
Business support services and institutions	497	342	417	389
Public-private sector networking	27	51	117	67
E-commerce	2	37	31	54
Trade finance	413	336	384	461
Trade promotion strategy and implementation	230	315	752	653
Market analysis and development	187	251	346	561
TOTAL TRADE DEVELOPMENT	1 355	1 332	2 048	2 184

Box 2. Trade Facilitation

Assistance to trade facilitation increased sharply and consistently in recent years. Total commitments to this category more than tripled between 2001 and 2004, to reach US\$330 million (chart 3). Multilateral agencies are the main channel of assistance to trade facilitation. The main multilateral donors are the European Commission, IDA (World Bank), the Asian Development Bank, while the United States, the United Kingdom, the Netherlands and Australia are the top bilateral donors. Some smaller bilateral donors, such as Norway and Sweden, finance mainly projects implemented by more specialised agencies such as UNCTAD.

**Chart 3 - Commitments for trade facilitation procedures by donor
2001 to 2004 - US\$ million**

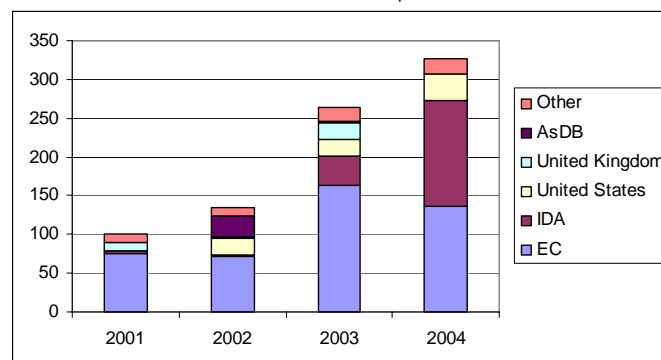
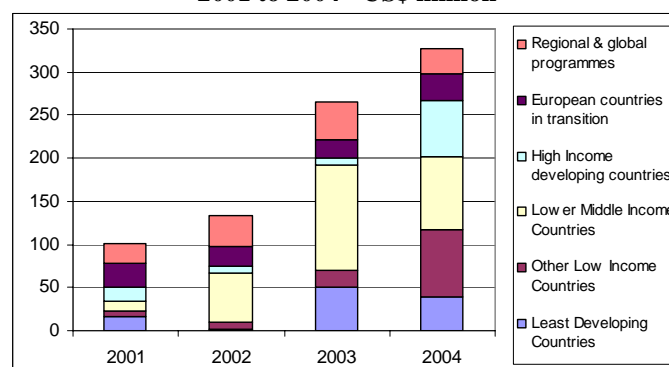


Chart 4 reveals that, while Lower Middle Income Countries – mainly in the Balkans and North Africa – were the main recipients of assistance to trade facilitation over the period 2001-2004, the share and the volume of assistance to low income countries (LDCs and OLICs) has increased since 2003. Countries in transition and high income developing countries together represented broadly the same share as low income countries over 2001-04. Assistance to LDCs should increase over the next few years, because future WTO obligations by LDCs in the area of trade facilitation would have to be accompanied by enhanced levels of assistance to them.

**Chart 4 - Commitments for trade facilitation procedures by income group⁷
2001 to 2004 - US\$ million**



A more comprehensive and detailed analysis done in the framework of the DAC Project on Trade Facilitation⁸ shows that donor assistance for trade facilitation is focused on capacity building and infrastructure. Over the 2001-2004 period, 58% of total commitments for trade facilitation were directed towards capacity building (e.g. multi-year programmes that contain several different components/activities; institutional support; and support for legislative and regulatory reforms); 28.2% of commitments to establishing or strengthening facilities such as customs buildings, border crossing posts and testing laboratories; 5.3% to Technical Assistance (e.g. needs assessments, consultancies and short-term training); and 4.5% to support to ICT systems and equipments⁹. Together with the substantial donor support for transport and storage, this shows that donor programming in trade facilitation is directed toward meeting the long-term capacity building and infrastructure needs of partner countries.

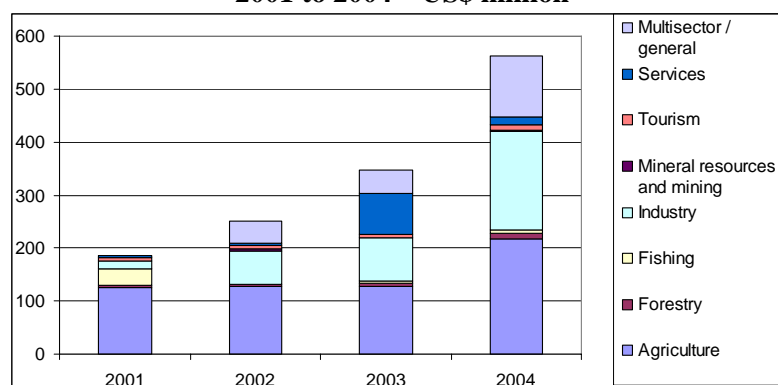
⁷ See the list of income groups at the end of the report.

⁸ www.oecd.org/dac/trade/facilitation

⁹ 3.9% of the total volume of commitments could not be classified under any category due to a lack of information.

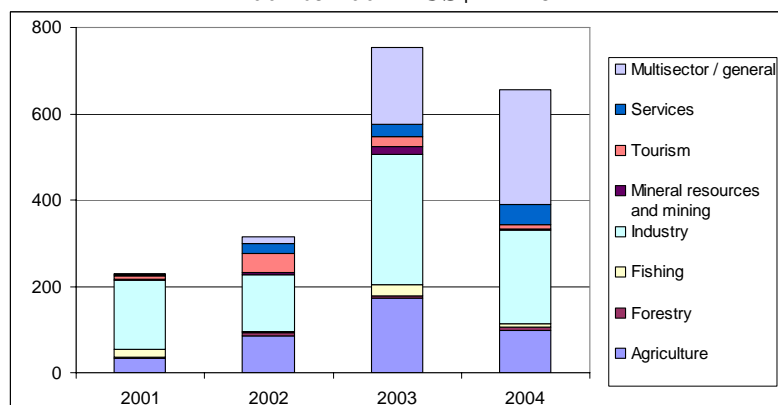
The breakdown by productive sectors of assistance to market development (chart 5) shows that the increase in 2004 is accounted for by the agriculture sector – US\$217 million in 2004 or almost double 2003 – and to the industrial sector – more than doubling from US\$83 million in 2003 to US\$186 million in 2004. Assistance to the development of forestry and fishing markets, though relatively small, doubled in 2004, and multisector programmes were also on the increase, as for example tools and services provided by the International Trade Centre (ITC) to help developing countries with trade flow analysis and market research.

**Chart 5 – Assistance to market analysis and development by sector
2001 to 2004 – US\$ million**



Similarly, the breakdown by productive sector of assistance to trade promotion reveals that the main targets of the assistance in 2004 were multisector programmes – which amounted to US\$267 million - and the industrial sector – which totalled US\$ 219 million. Meanwhile trade promotion of agriculture declined to US\$99 million (chart 6).

**Chart 6 – Assistance to trade promotion strategy and implementation by sector
2001 to 2004 – US\$ million**



Box 3. Cotton Initiative

In the Doha Development Agenda, the cotton initiative is being handled on two tracks. A trade track, which is part of the agreed overall framework in the agriculture negotiations and a second track on the development assistance aspects. The information provided in this Box/Section summarizes the activities reported by bilateral donors and multilateral agencies to the Trade Capacity Building Database (TCBDB). The table below shows the amounts committed to TRTA/CB activities identified as specifically related to cotton at the regional level that benefit the four proponents of the cotton initiative (Benin, Burkina Faso, Chad and Mali) as well as other African countries during the period 2001-2004. Total TRTA/CB specifically related to cotton committed for Africa reached US\$63.4 million in 2004 pursuant to the mandate in the July Framework Package agreed on 1 August 2004. This value is five times its level of 2002-2003. At the global level it reached US\$78.6 million with an increase over 2002-2003 of 150%. Major projects are planned for 2005, as for example a US\$30 million World Bank loan to Benin, with some components related to cotton.

**Table 3. Total TRTA/CB commitments identified as specifically related to cotton
2001-2004 - US\$ million**

	2001	2002	2003	2004
Africa	0.20	13.20	12.44	63.47
LDCs multi-country & global programmes	8.07	21.22	16.61	0.02
Other countries	0.00	0.02	0.08	15.12
TOTAL	8.28	34.44	29.13	78.61

Source: TCBDB

A significant increase (see Table 4 below) can also be observed in total aid for the proponents of the cotton initiative from US\$1.3 billion in 2002 to US\$2.1 billion in 2004. Although most of the aid is not directly linked to the cotton sector, it can have positive knock-on effects on cotton and on other commodities, depending on the resource allocation priority decisions made by individual countries. During the period 2001-2004, total aid commitments to Africa also increased sharply, from US\$19 billion to more than US\$33 billion.

**Table 4. Total Aid Commitments to Selected African Countries
2001-2004 - US\$ million**

	2001	2002	2003	2004
Benin	186	202	436	447
Burkina Faso	549	505	645	633
Chad	220	180	352	306
Mali	496	376	617	723
TOTAL	1 450	1 263	2 050	2 109
TOTAL AFRICA	18 782	21 818	30 147	33 323

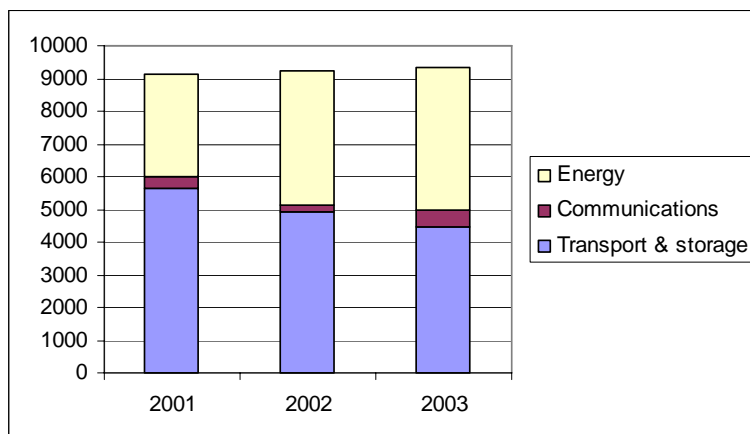
Source: CRS (www.oecd.org/dac/stats/crs)

It is important to note that these TRTA/CB activities related to cotton would need to be read in conjunction with the separate report by the WTO Director-General to the Sixth Ministerial Conference, providing broader information in the area of financial assistance, with a bearing on cotton, evaluating and summing-up overall progress on the development assistance aspects of the DDA.

3. Infrastructure

As mentioned above, not all assistance to *infrastructure* can be considered directly as trade-related, but is essential to help countries to build up their capacity to trade. More than US\$9 billion per year were committed to *infrastructure* activities from 2001 to 2003. In 2003, the commitments to energy increased from US\$4.1 to US\$4.4 billion, while the volume of activities for transport & storage decreased from US\$4.9 billion to US\$4.4 billion, and commitments to communication networks increased from US\$0.2 billion to US\$0.5 billion (chart 7).

Chart 7 - Infrastructure from 2001 to 2003 – US\$ million



4. Commitments by donor from 2001 to 2004

Table 5 shows the total TRTA/CB committed by each donor from 2001 to 2004. Total commitments to *trade policy and regulations* declined in 2004 due to the programming cycle of large bilateral (Canada, Japan, United Kingdom) and multilateral (EC) donors. The bilateral share remained stable at some 45%. The main bilateral provider of assistance to *trade policy and regulations* in 2004 was still the United States, while IDA, the Netherlands and Switzerland recorded major increases. Total commitments to *trade development* increased in 2004, mainly due to rising contributions from the European Commission and the United States. The bilateral share was 50% in 2004.

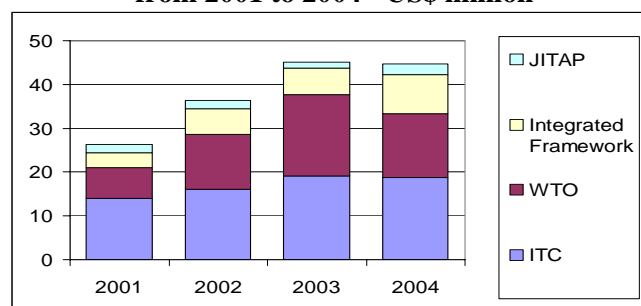
The columns are intentionally not added together, as amounts shown in the three columns are not directly comparable. Amounts for *trade policy and regulations* and contributions to trust funds are considered as solely dedicated to building trade capacity. In contrast, *trade development* activities are trade-related, but serve other purposes in addition to building trade capacity. A number of donors isolated the trade component of each activity, whereas others reported the whole activity as trade-related. The total amounts of TRTA/CB in this category should therefore be interpreted with caution (see “Box 1. Definitions and categories” on page 7 for more details).

Amounts in columns *Trade policy and regulations* and *Trade development* include:

- activities funded and implemented by bilateral donors;
- activities funded by bilateral donors but implemented by specialised multilateral agencies¹⁰;
- activities funded by multilateral agencies from their central budget; and
- contributions to multilateral TRTA/CB agencies, except contributions to the Trust Funds of the ITC, Integrated Framework (IF), JITAP and WTO.

Contributions to these TCB Trust Funds - as recorded by each agency - are given in a separate column in order to show how much was provided by each donor¹¹. In the final two rows, the amounts implemented by ITC and the WTO (including from DDAGTF, JITAP and IF) are shown to reflect the activities they funded *from these contributions*. Most of the activities financed through the IFTF are included under IDA's figures. Chart 8 below shows in detail the contributions to TCB trust funds, which rose from US\$26 million in 2001, to US\$36 million in 2002 and US\$45 million in 2003, but stayed steady in 2004, though with an increase for the Integrated Framework.

Chart 8 – Contributions to Trade Capacity Building Trust Funds from 2001 to 2004 - US\$ million



¹⁰ Total amounts committed to activities implemented from 2001 to 2004 by these agencies are as follows, in US\$ million (WCO did not report to the TCBDB in 2001 and 2002, and UNDP did not report in 2004):

	2001		2002		2003		2004	
	Trade policy & regulations	Trade development	Trade policy & regulations	Trade development	Trade policy & regulations	Trade development	Trade policy & regulations	Trade development
ESCAP	0.4	0.2	0.5	0.2	0.3	0.0	1.0	0.2
FAO	15.4	7.1	2.4	7.1	5.8	10.1	6.4	19.0
UNCTAD	5.5	1.5	6.8	2.0	25.1	4.7	7.1	1.9
UNDP	0.5	0.5	9.1	0.8	11.9	3.0
UNIDO	4.5	7.0	2.3	5.3	6.4	3.5	15.0	23.6
WCO	0.7	-	0.3	0.0

¹¹ The detailed contributions to these TRTA/CB Trust Funds and programmes are available at <http://www.oecd.org/dataoecd/19/6/2493060.pdf>.

Table 5 - Commitments of TRTA/CB by donor from 2001 to 2004 – US\$ million

	2001			2002			2003			2004		
	Trade policy & regulations	Trade development (a)	Contributions to Trust Funds (b)	Trade policy & regulations	Trade development (a)	Contributions to Trust Funds (b)	Trade policy & regulations	Trade development (a)	Contributions to Trust Funds (b)	Trade policy & regulations	Trade development (a)	Contributions to Trust Funds (b)
Australia	8.9	5.3	0.0	2.7	8.8	0.2	11.6	2.7	0.4	11.8	1.2	0.3
Austria (c)	-	0.2	-	0.1	0.3	0.2	0.5	0.9	0.2	0.4	3.0	0.2
Belgium	0.7	8.4	0.0	1.5	6.9	0.9	1.7	56.9	0.5	0.5	47.5	0.3
Canada	38.3	44.1	1.5	9.7	20.9	1.7	51.2	33.3	2.8	21.4	31.1	3.2
Denmark	0.0	9.2	1.8	-	3.7	1.5	0.4	38.7	3.5	1.0	3.0	2.7
Finland (d)	1.3	2.3	0.9	3.7	2.6	0.6	2.0	8.6	0.9	-	-	1.0
France (e)	0.8	7.2	0.9	5.2	113.0	0.7	13.7	82.3	2.7	14.5	55.5	1.3
Germany	0.6	80.7	1.3	9.0	62.6	1.8	12.8	90.0	2.5	16.8	66.1	3.4
Greece (c)	-	-	0.0	-	-	0.1	0.4	0.1	-	0.6	-	0.0
Ireland	0.5	-	0.4	0.3	-	0.4	0.6	-	0.5	0.7	-	0.3
Italy (f)	0.2	6.0	0.2	1.0	2.8	1.3	0.4	2.3	1.6	0.7	7.8	0.5
Japan	20.6	35.8	0.0	16.1	34.9	1.5	43.6	33.9	0.7	7.8	30.5	0.9
Netherlands (g)	14.3	23.9	3.5	4.2	45.5	3.3	12.7	129.9	3.3	18.6	60.7	3.5
New Zealand	0.9	5.7	-	0.9	6.3	0.2	1.0	7.8	-	1.5	11.2	0.2
Norway (h)	4.1	33.0	1.8	0.9	7.6	3.6	4.7	38.6	4.6	6.1	30.2	6.8
Portugal	0.0	1.0	-	0.1	14.5	-	0.1	2.7	-	0.2	1.6	-
Spain (i)	0.3	0.6	0.1	1.5	0.7	0.2	2.8	2.8	0.4	0.5	1.4	0.3
Sweden	5.1	4.1	2.0	2.7	1.6	4.1	11.3	9.4	3.8	4.7	6.4	2.6
Switzerland	7.6	30.7	5.7	8.1	55.7	5.4	3.8	87.4	6.1	11.5	82.3	6.3
United Kingdom (j)	33.1	38.5	1.2	19.0	27.4	2.6	46.0	50.2	1.4	19.3	28.6	3.0
United States	179.2	376.3	1.2	179.4	436.2	1.7	187.6	520.6	2.9	198.8	596.3	3.2
Total DAC	316.5	712.9	22.7	266.1	852.1	32.1	408.8	1 199.0	38.9	337.4	1 064.6	40.1
Korea	0.6	1.8	0.3	0.6	0.3	0.3	0.8	0.4	0.2	1.0	1.3	0.2
Thailand	0.7	0.0	-	-	0.2	-	0.6	0.3	-	0.2	0.2	-
Other bilateral (k)	2.0	1.2	0.9	8.2	3.0	0.4	15.8	2.3	0.6	0.5	0.1	0.3
Total bilateral	319.8	715.9	23.9	274.9	855.5	32.8	426.0	1 202.0	39.7	339.1	1 066.2	40.5
APEC	0.3	-	-	0.8	-	0.0	0.9	-	-	0.4	-	-
AsDB (d)	3.3	0.6	-	59.3	1.4	-	1.1	0.2	-	-	-	-
EC (j)	309.9	507.0	0.6	292.3	419.3	0.0	428.9	613.5	1.0	296.3	883.5	0.2
IDA	7	108	0.2	7.8	25.5	0.8	44.0	199.9	1.3	135.9	201.1	1.5
IDB (l)	-	-	-	0.0	-	-	0.1	-	-	10.6	0.1	-
IMF (d)	2	-	-	1.5	-	-	1.3	-	-	-	-	-
Isl.Dev Bank	-	-	0.0	-	0.1	0.0	3.4	-	0.0	0.2	-	-
UN (m)	5.0	6.4	1.1	7.2	9.4	1.8	8.8	12.0	1.7	5.7	11.5	0.8
Other multilateral (n)	0.4	0.9	0.7	0.7	0.9	0.8	1.8	0.7	1.4	1.2	0.9	1.7
Implemented by ITC	0.6	16.2	-	1.2	19.9	-	3.2	19.4	-	2.4	20.3	-
Implemented by WTO	2.5	-	-	11.4	-	-	14.9	-	-	18.9	-	-
Total multilateral	330.2	639.0	2.5	382.1	476.6	3.4	508.3	845.7	5.3	471.7	1 117.4	4.2
TOTAL	650.0	1 354.9	26.4	657.0	1 332.1	36.3	934.3	2 047.8	45.0	810.9	2 183.7	44.8

Notes:

(a) A number of donors isolated the trade component of each activity, whereas others reported the whole activity marking it trade-related. The total amounts of TRTA/CB in this category should therefore be interpreted with caution.

(b) Contributions to multilateral TCB Trust Funds (Integrated Framework, ITC, JITAP, WTO).

(c) Austria and Greece did not report to the TCBDB in 2001 and 2002. Austria's figures for these 2 years include only activities implemented (and reported) by multilateral agencies.

(d) Finland, the Asian Development Bank and the IMF did not provide data in 2004.

(e) The *Agence Française de Développement* (AFD) did not provide data in 2001.

(f) Italy did not report its 2003 and 2004 bilateral activities to the TCBDB. Hence, 2003 and 2004 totals shown in the table include only activities funded by Italy and implemented (and reported) by multilateral agencies.

(g) Include as from 2002 the Dutch Programme for Cooperation with Emerging Markets (PSOM), which is considered as 50% trade-related.

(h) Norway did not provide complete reporting for 2002; totals for this year are thus partial.

(i) Spain did not provide complete data in 2004.

(j) The decrease in 2004 is due to the periodicity of programming cycles of the EC and the UK. Preliminary EC 2005 figures estimate that commitments to trade policy and regulations will recover to US\$456 million and those to trade development will amount to US\$442 million.

(k) Includes countries that did not report but funded activities implemented by international organisations or contributed to TCB trust funds.

(l) The Inter-American Development Bank did not provide data from 2001 to 2003. Amounts for these years include only activities implemented (and reported) by an other donor.

(m) Includes ESCAP, ESCWA, FAO, UNCTAD, UNDP, UNECE and UNIDO.

(n) Includes various other agencies which funded activities reported by other multilaterals or which contributed to TCB Trust funds. The EBRD and the IBRD provide non-concessional loans; their commitments are thus not included in the table.

III. Key points from the TRTA/CB Survey¹²

The survey submissions indicate that bilateral donors and multilateral agencies have become much more active in TRTA/CB over the last few years, particularly since the 2001 WTO Doha Ministerial Conference. This increased activity is not only reflected in increased funding for TRTA/CB, but also in the number of donors and agencies with explicit strategies and programming guidelines for TRTA/CB; enhanced awareness among donors of the importance of TRTA/CB for development and poverty reduction; and the strengthened, and sometimes institutionalised, dialogue between development and trade practitioners. In addition, several donors and agencies have embarked on ambitious reviews of their own bilateral TRTA/CB programmes and/or their participation in multilateral programmes, in order to assess the effectiveness of their TRTA/CB activities. A Joint DAC-DEV Study will examine in more depth the main findings and lessons learned from thematic TRTA/CB evaluations.¹³

Key points emerging from the survey submissions:

(1) Strategy and objectives of TRTA/CB

Almost half of all surveyed bilateral donors and multilateral agencies have prepared specific TRTA/CB strategy papers, work programmes or trade and development policy papers, most of which are consistent with the objectives and good practices outlined in the *DAC Guidelines on Strengthening Trade Capacities for Development* (2001). Donors and agencies often have the same vision of TRTA/CB: they perceive it as one (out of many) means to promote economic development and reduce poverty, by supporting developing countries' greater participation in the multilateral trading system and their integration into the world economy. Almost half of surveyed bilateral donors also highlight the importance of improved **coherence** between their country's trade and development policies.

A number of bilateral donors and multilateral agencies have recently put more emphasis on trade in Country/Regional programmes (i.e. "mainstreaming" trade in development and poverty reduction programmes), but some donors emphasise that the outcome will depend on the priorities of the partner country.

(2) Priority areas¹⁴

While bilateral donors often have a broad approach to TRTA/CB and do not specialise in the delivery of a selected number of specific TRTA/CB activities or categories, specialised multilateral agencies such as the World Customs Organization (WCO), the World Intellectual Property Organization (WIPO), the International Trade Centre (ITC) and the UN Industrial Development Organization (UNIDO) and regional organisations and development banks, often have a narrower focus.

TRTA/CB activities often range from support for participation of developing countries in trade negotiations and implementing WTO Agreements, to supporting national trade institutions and enhancing productive capacity. More specifically, a number donors and agencies give emphasis to activities targeted

¹² This Section is based on 2001-2004 submissions to the OECD/DAC Trade-Related Technical Assistance and Capacity Building (TRTA/CB) Survey. Full results of the survey are included in the 2004 Overview of Donor and Agency Policies in TRTA/CB (posted on <http://tcdbd.wto.org>). Bilateral donors and multilateral agencies have been requested to provide (or update) information on (1) their strategy and objectives of TRTA/CB, (2) delivery mechanisms (bilateral, regional and multilateral initiatives), (3) institutional arrangements, and (4) evaluation methodology, timetable and lessons learned. This last issue is the subject of a separate Study by the OECD's Development Assistance Committee (DAC) and its Development Centre (DEV), see <http://www.oecd.org/dac/trade/evaluation>. In cases where no information was sent or updated, the authors drafted or updated a donor/agency's profile based on information found in the public domain (e.g. official agency website and newsletters).

¹³ See www.oecd.org/dac/trade/evaluation

¹⁴ Refers to priority aid sectors/categories as well as regions/countries.

at improving developing country capacities in trade agreements' negotiation and implementation. A dozen donors and agencies focus on aid targeted at supporting the trade policy process as a whole, the formulation of a comprehensive and "participatory" trade development strategy and the "mainstreaming" of trade into national development plans, e.g. Canada, the EC, Switzerland, the UK, Nordic donors, the World Bank, UNCTAD, UNDP and ITC.

Many donors and agencies focus on private sector and Small and Medium sized Enterprise (SME) development or on improving the business climate in developing countries. This type of support often includes encouraging joint ventures with developing country firms¹⁵ and promoting or facilitating imports from developing countries, e.g. Denmark's Import Promotion Office for Products from Developing Countries (DIPPO), the EU Expanding Exports Helpdesk, the Netherlands' Centre for the Promotion of Imports from Developing Countries (CBI), Sweden's Open Trade Gateway, the Swiss' Import Promotion Programme (SIPPO). Some donors and agencies also support access to (trade) finance in developing countries, by providing financing to micro, small and medium-sized enterprises, e.g. the Belgian Investment Company for Developing Countries, the Asian Development Bank and EBRD.

An increasing number of bilateral donors and multilateral agencies underline the importance of assistance aimed at facilitating trade (e.g. support for the simplification of international trade procedures and for the automation of customs administration) and at developing capacities to comply with health and technical standards, e.g. Canada, the EC, Japan, the World Bank and APEC.

(3) Delivery mechanisms¹⁶

Bilateral country and regional programmes are an important means to deliver TRTA/CB. These programmes are often implemented by the aid agency or other Ministries (see Institutional arrangements below), in collaboration with sub-contractors, private sector partners, research institutes and/or NGOs. The US Global Development Alliance provides a good example of an innovative approach to aid delivery which relies on public-private partnerships. Bilateral TRTA/CB is sometimes delivered as a component of broader development assistance programmes (e.g. private sector or rural development programmes).

Bilateral donors are increasingly supporting TRTA/CB through multilateral or regional channels:

- multilateral agencies, e.g. ITC, UNIDO and UNCTAD;
- regional development banks and fora, e.g. the Asian Development Bank and the Asia Pacific Economic Co-operation; and
- multi-donor frameworks and Trust Funds, e.g. the Integrated Framework on Trade-Related Technical Assistance for Least-Developed Countries (IF), the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP), the Standards and Trade Development Facility (STDF) and the Global Facilitation Partnership for Transport and Trade (GFP) and the Doha Development Agenda Global Trust Fund, managed by the WTO.

¹⁵ e.g. Norway's Matchmaking Programme; the Netherlands' Programme for Co-operation with Emerging Markets (PSOM) and the Dutch online database providing information on business development in emerging markets (<http://www.evd.nl/DyB>).

¹⁶ This section summarises detailed information provided by donors and agencies and included in the 2004 Overview of Donor and Agency Policies in TRTA/CB. For the purpose of the Overview we distinguished between (1) Bilateral delivery channels: TRTA/CB delivered to one beneficiary or a group of beneficiaries (e.g. a region), by the aid agency, another authority, department, or sub-contractor. (2) Regional delivery channels: TRTA/CB delivered in collaboration with, or through a regional organisation (e.g. APEC). (3) Multilateral delivery channels: TRTA/CB delivered in the framework of a multidonor initiative (e.g. IF), or through multilateral organisations (e.g. ITC) or Trust Funds (e.g. DDA Global Trust Fund). In addition, for EU Member States, we have highlighted the "EC" channel of delivery.

In addition, EU Members also deliver a significant share of TRTA/CB through the European Commission (EC).¹⁷

Delivery through regional organisations is often perceived as cost-effective, as it enables combining expertise and training for the whole group of countries and drawing on resources available from within the region. It also allows for economies of scale for the beneficiaries, as some of the required support infrastructure can be shared between countries, resulting in reductions in the cost of establishing the service and in the operating cost (e.g. regional accreditation schemes; regional trade promotion agencies; etc.). Finally, it provides a major boost to regional co-operation.

(4) Institutional arrangements¹⁸

TRTA/CB involves a wide range of different actors. In DAC Members, the agencies involved often include the Ministry for Foreign Affairs, the aid agency, line ministries (e.g. Agriculture, Trade and Industry) and specialised agencies (e.g. customs authority). In multilateral and regional agencies, TRTA/CB often involves a number of different departments and decision making bodies.

The variety of stakeholders from the “donor/delivery side” involved in the formulation, delivery, monitoring and evaluation of TRTA/CB makes co-ordination and a shared understanding of good practices (in development co-operation generally and TRTA/CB specifically) sometimes difficult. A number of DAC Members have set up joint bureaus or task forces on trade and development to increase co-ordination and coherence between trade and development policies and initiatives. A number of donors/agencies also provide guidance and training for those involved in TRTA/CB planning, execution and review at headquarters and field offices. Some donors and agencies have also set up their own database of TRTA/CB activities to optimise information sharing.

¹⁷ As shown in Section IV-4 of this Report, the multilateral share in commitments to “trade policy and regulations” increased in recent years and accounted for 58% of total commitments in 2004. That same year, the multilateral share in commitments to “trade development” approximated 51%. This is noteworthy as exactly the *opposite* situation occurs for the delivery of ODA in general. Table 14 of the 2004 Development Co-operation Report shows that contributions to multilateral institutions approximated 28% of total ODA, while the bilateral share accounted for 72%.

¹⁸ Refers to the Ministries, agencies and bodies responsible for planning, design, delivery and coordination of TRTA/CB. This section summarises detailed information provided by donors and agencies and included in the 2004 Overview of Donor and Agency Policies in TRTA/CB.

IV. Donor Profiles - Bilateral Donors (DAC Members)

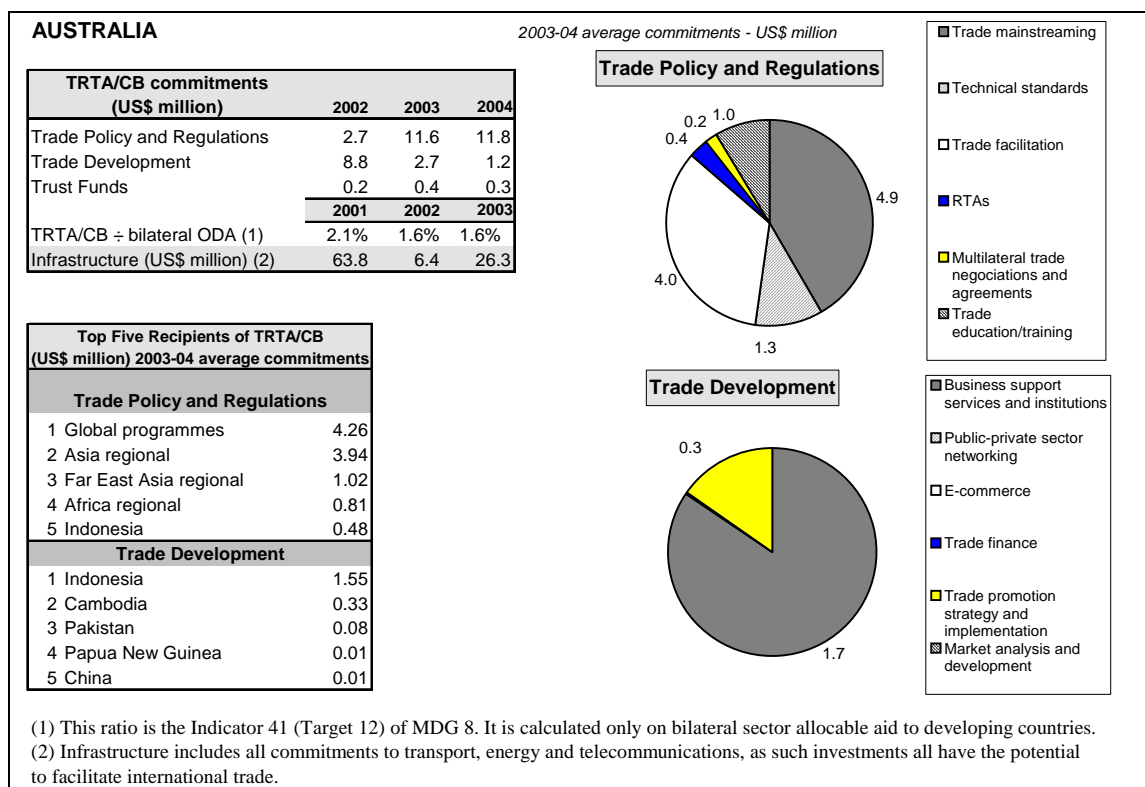
Australia

Strategy and objectives: Australia's broad strategy of TRTA/CB is to reduce poverty by helping developing countries to maximise the benefits of global trade. Australia's TRTA/CB has two core objectives:

- To assist developing countries to better understand and negotiate their trade-related interests in multilateral and regional forums;
- To support institutional and market development to facilitate developing countries' participation in global trade.

Australia has published a number of trade and development policy documents, among others "*Trade, Development and Poverty Reduction*" (2002) – that outlines the importance of trade for poverty reduction, as well as Australia's activities for helping developing countries adjust to freer trade, including the delivery of TRTA/CB yet also of assistance for improving governance; the provision of quota and tariff-free access for all goods from LDCs and the negotiation of lower agricultural trade barriers through the WTO.

Priority areas: New and pending bilateral and regional programmes have a more explicit focus on **WTO-related negotiation and implementation issues** ("trade policy and regulations"). Australia's TRTA/CB activities are demand-driven and concentrate heavily on the **Asia Pacific** region. Trade-related capacity building has been identified as a sectoral focus within the Australian Agency for International Development's (AusAID) regional strategies for Asia.



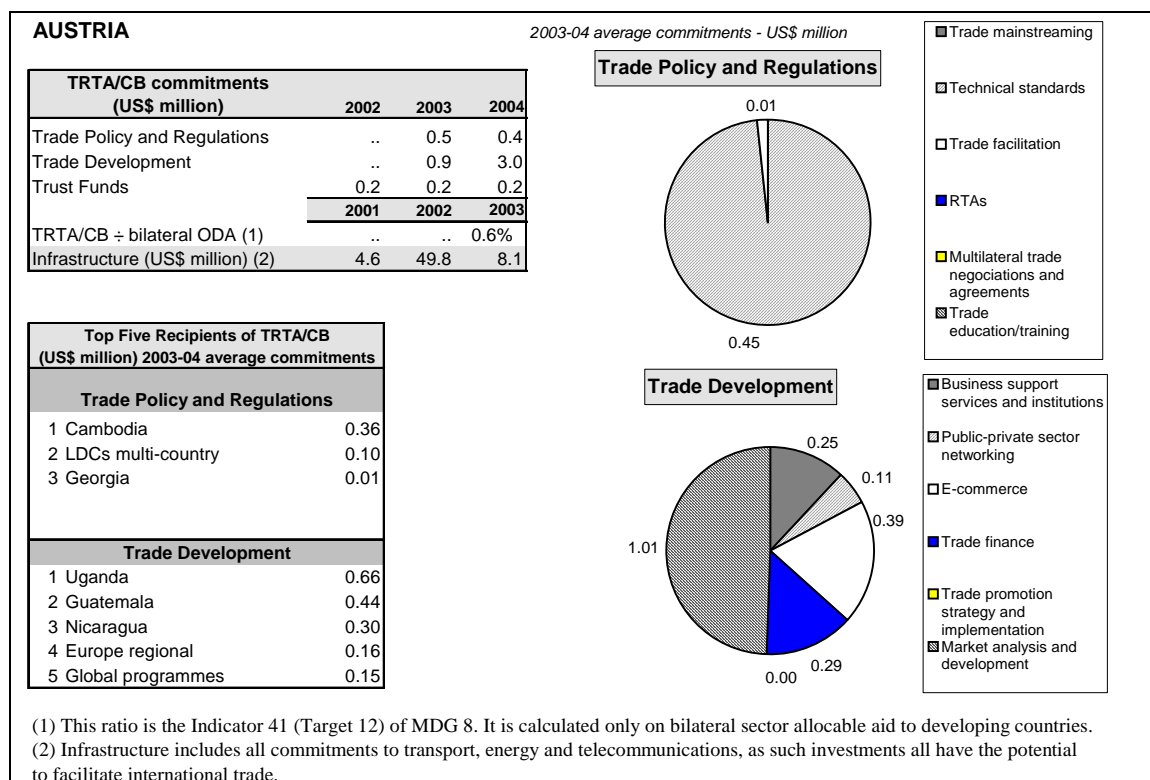
Austria

Strategy and objectives: No major changes have taken place in Austrian TRTA/CB strategy since the Doha Declaration (2001). “Private sector and development”, which includes TRTA/CB, is one of the thematic priorities of the Austrian co-operation, which emphasises economic growth as a prerequisite for poverty reduction, as well as greater involvement of the private sector.

Austria’s TRTA/CB activities aim to support:

- Capacity building for micro, small and medium-sized enterprises (MSMEs) to produce quality goods for the local market;
- Trade-related training for officials (e.g. on antidumping, in Middle and Eastern European Countries);
- Promotion of fair trade, through a national information campaign and in the EU-ACP context;
- UNIDO, focusing on sustainable industrial resource management (through its cleaner production centres in various partner countries), strengthening productive capacities in developing countries with special emphasis on SMEs, particularly with regard to agricultural production, as well as contributing to the UNIDO Trust Fund Enabling Developing Countries to Participate in International Trade.

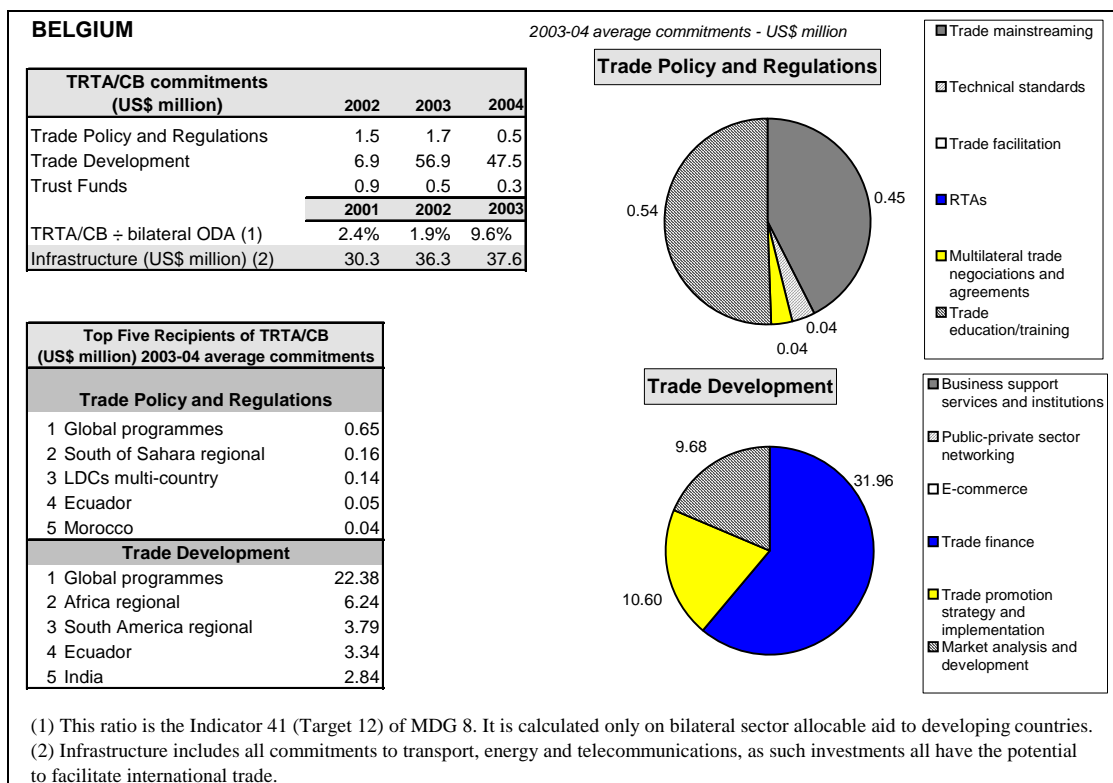
Priority areas: Austria mainly focuses on **micro, small and medium-sized enterprises development** and the development of productive capacities in developing countries – particularly in South-Eastern Europe- to improve their international competitiveness. Austrian TRTA/CB mainly supports access to market information, understanding and compliance with technical standards and quality control and marketing and business development advice.



Belgium

Strategy and objectives: The Doha Development Agenda and its emphasis on TRTA/CB have prompted Belgium to continue develop and refine its TRTA/CB strategy, yet this is still work in progress.

Priority areas: Belgium's TRTA/CB is mainly targeted at enhancing "supply side" capacities ("trade development"), through support for enhanced access to trade finance and for the formulation and implementation on national and sectoral trade promotion strategies.



Canada

Strategy and objectives: In general, Canada's objective for TRTA/CB is to assist developing and least-developed countries in building their capacity to participate more fully in the global trading system and to use trade as a means to reducing poverty.

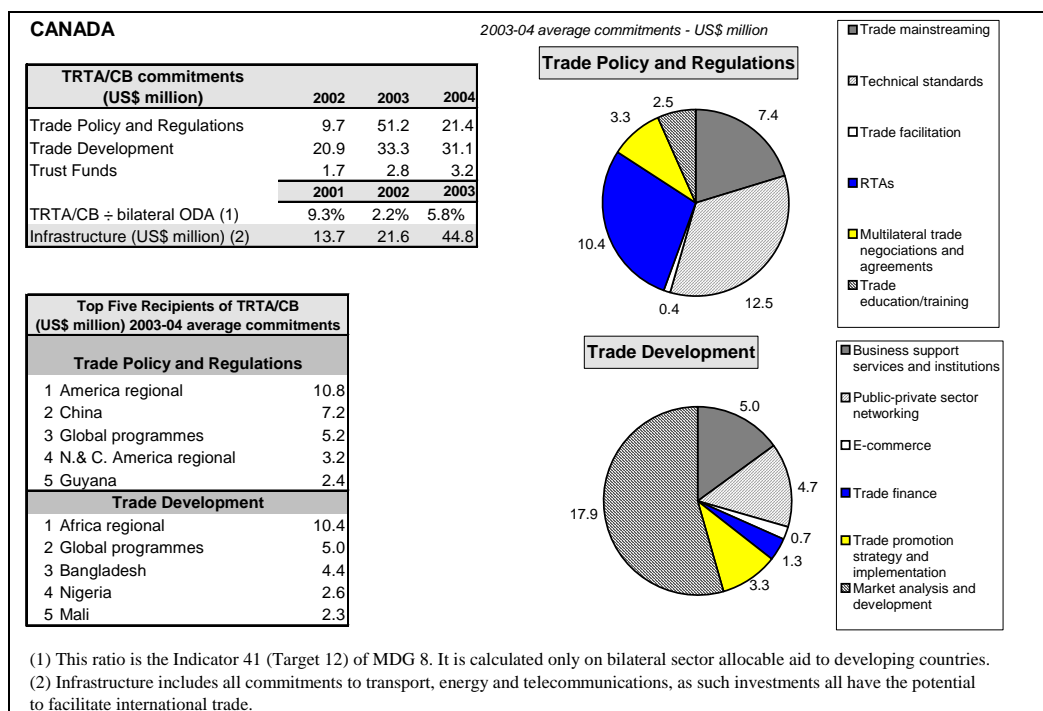
Though Canada has no specific TRTA/CB strategy, it has recently released its *International Policy Statement (IPS)*, which identifies private sector development, and more precisely "supporting connection to markets" as one of its priorities. It states "Canada will help developing countries integrate into the global trading system, and promote fair economic opportunities for entrepreneurs. Canada will focus on helping development partner countries to implement trade agreements... and on helping women and men who are entrepreneurs, especially in rural areas, to supply goods and services to local, regional, and international markets".

More specifically, the following objectives are sought: a) enhanced participation in trade negotiations; b) improved implementation of trade agreements and the adoption of related policy reforms; c) improved integration of trade-related issues into national development plans, including addressing supply-side constraints; and d) addressing needs in the area of trade facilitation.

Priority areas: As identified in the Canadian International Development Agency's *Private Sector Development Policy* (July 2003), the work to ensure increased participation of developing countries and countries in transition in regional and international markets and institutions will focus on:

- capacity building in analysing, formulating, negotiating and implementing trade policy in developing countries and countries in transition;
- support for their participation in regional trade bodies, the WTO, and international financial institutions;
- the provision of technical assistance for more secure trade, enhanced supply chain linkages and local trade network development; and
- trade facilitation initiatives such as technical assistance in customs administration, educating potential exporters about phytosanitary regulations, logistical and consumer taste issues, labelling requirements, and quality control.

Canada's TRTA/CB activities are mainly bilateral or regional in nature.



Denmark

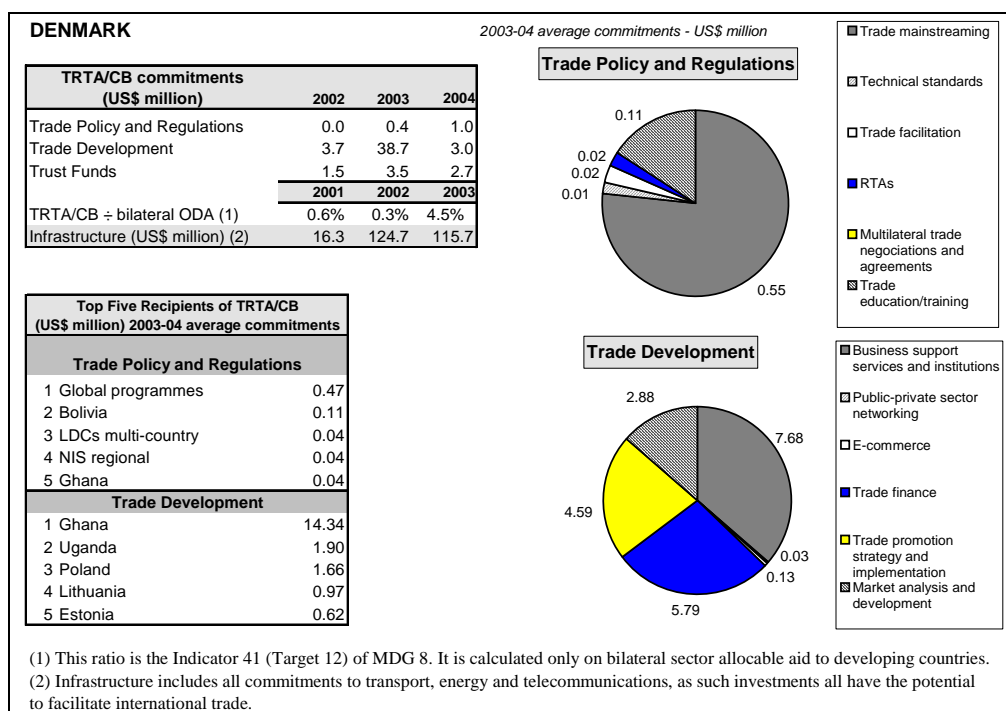
Strategy and objectives: Danish TRTA/CB is aimed at strengthening the position of developing countries in the international trade system, hence spurring economic growth and alleviating poverty. The Danish government developed a three-pronged strategy to provide TRTA/CB to developing countries in the following areas:

- Support for participation in trade negotiations. This includes support to help define national priorities and develop negotiation strategies.
- Capacity building within their respective governments, private sectors and civil societies, with the aim of strengthening the capacity of partner countries to comply with and implement international trade agreements.
- Support the use of existing and future market access: covers support for overcoming supply side constraints.

This strategy has been outlined in the policy paper, “*Trade and Development: Tackling Poverty*” (2003) which also highlights the importance of strengthened *synergies* between trade and development policies and initiatives. The strategy has been revised and updated in 2005 to take into account lessons learned since the launch of the initial strategy in 2003. In addition, TRTA/CB has been included under “economic and social development” heading, which is one of the five objectives of Danish development co-operation for 2004-08.

Priority areas: Denmark’s development assistance is focused on a selected number of developing countries. In 2004, Denmark launched the *Nordic Africa Initiative*, a TRTA/CB activity, together with the 4 other Nordic countries (Finland, Iceland, Norway and Sweden). The main purpose of the Nordic Initiative is, through dialogue, to increase the understanding of how African interests can be accommodated by the active and constructive participation of all WTO members in the Doha Development Round. The focus will be on issues of importance for the promotion of development in Africa through multilateral trade and how the most can be made out of Africa’s trade potential.

Many bilateral TRTA/CB programmes relate to the **development of the private sector** (“trade development”) and support enhanced business support services, access to trade finance and trade promotion strategies. Activities include (1) the *Private Sector Development Programme*, supporting the establishment of long-term partnerships between Danish companies and companies in developing countries; and (2) the *Danish Import Promotion Office for Products from Developing Countries* (DIPO). In addition, Denmark provides general support for trade-related reforms and encourages the integration of the trade aspect in broader bilateral sector programmes.



European Commission

Strategy and objectives: The EC has developed a strategy for TRTA/CB that is described in a Communication from the Commission to the Council and the European Parliament, entitled the “*Trade and Development: Assisting Developing Countries to Benefit from Trade*” (endorsed by the Council in November 2002). The Communication is the main EU policy/reference document, which builds directly from a Communication adopted in 2000 on “*The European Community’s Development Policy*”, where Trade Related Assistance was already recognised as one of the 6 priority areas of development policy. In addition, the EC has developed specific TRTA/CB Guidelines and an ambitious internal training programme on TRTA/CB to strengthen the capacity for delivery.

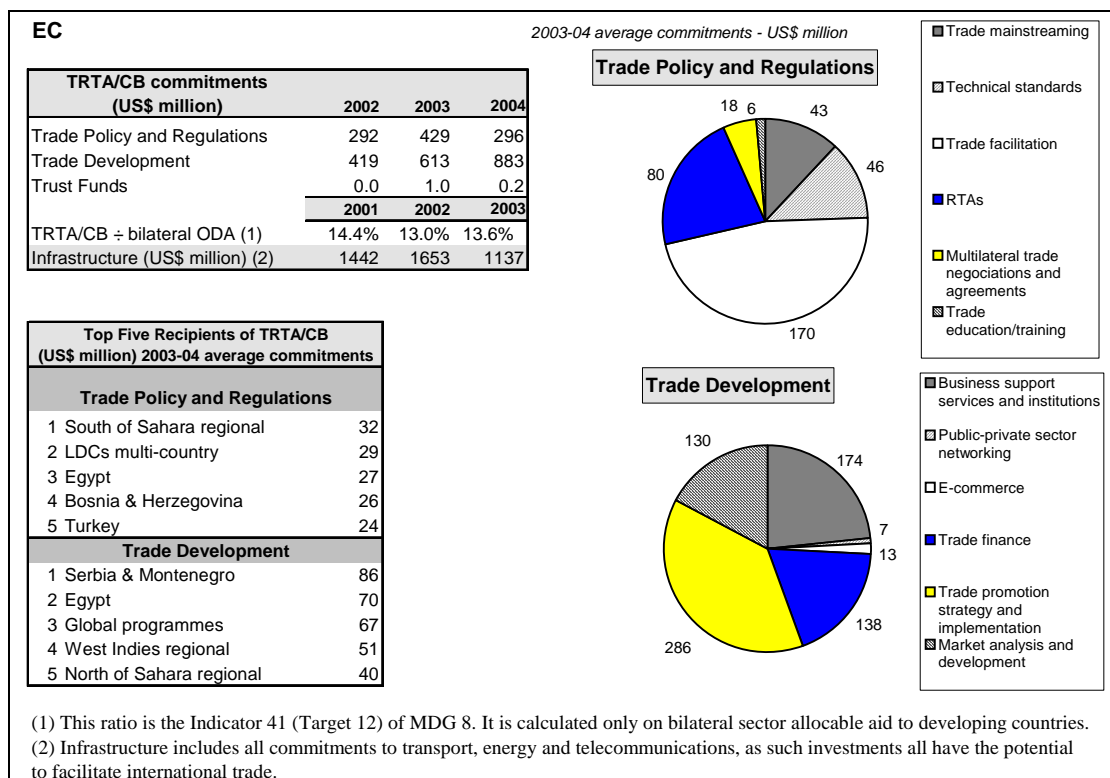
In September 2004, a report on the EU's trade-related assistance - *Making Trade Work for Development* – was released, setting out a number of “success stories”.

Priority areas: The Communication identifies the main priority areas of TRTA/CB, which are:

- Assistance for WTO accession and multilateral trade negotiations;
- Support for the implementation of existing and future WTO Agreements;
- Support for policy reforms and investments necessary to enhance economic efficiency and to ensure greater participation in the world economy.

The 2003-4 TCBDB data shows that the EC has in the area of “trade policy and regulations” more specifically focussed on support for trade facilitation, RTAs and SPS/TBT. Yet a larger share of its TRTA/CB has supported “trade development”, e.g. assistance for trade promotion strategies; access to trade finance and enhanced market information and business development.

In 2004, the EC set up an *Expanding Exports Helpdesk*, intended to support developing country producers seeking to export to EU market.

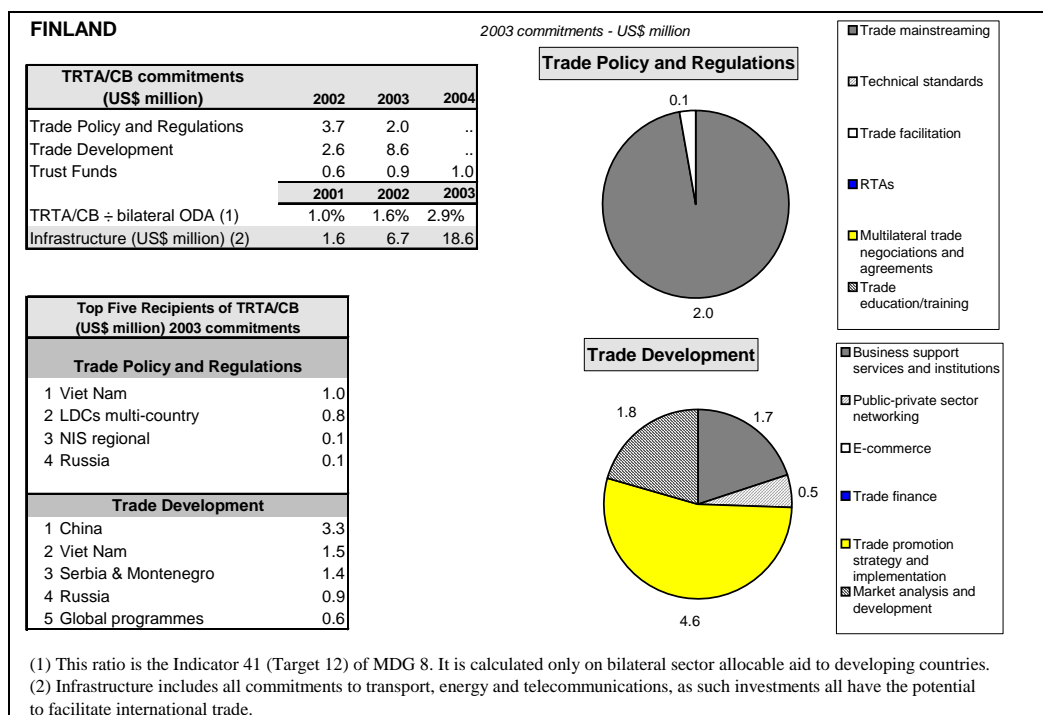


Finland

Strategy and objectives: The main goal of Finnish TRTA/CB is to promote export-oriented production, within the framework of poverty reduction. The objectives of TRTA/CB are to:

- Integrate developing countries, especially LDCs, into the world market by taking into consideration their level of development and special needs;
- Build the capacity of developing countries to take advantage of the multilateral trading system and to implement commitments;
- Promote market access of developing countries, especially in the areas of importance to them;
- Support the development of a favourable investment environment and the essential social and economic infrastructure for private enterprises in developing countries.

Priority areas: No major policy changes have occurred since the Doha Ministerial. Finnish TRTA/CB particularly focuses on **private sector development** (“trade development”) and policy making/ **governance**. The emphasis on **LDCs**, and on demand-driven and sustainable TRTA/CB activities, has been sustained. Finland aims in the longer-term to promote trade-related bilateral co-operation.



France

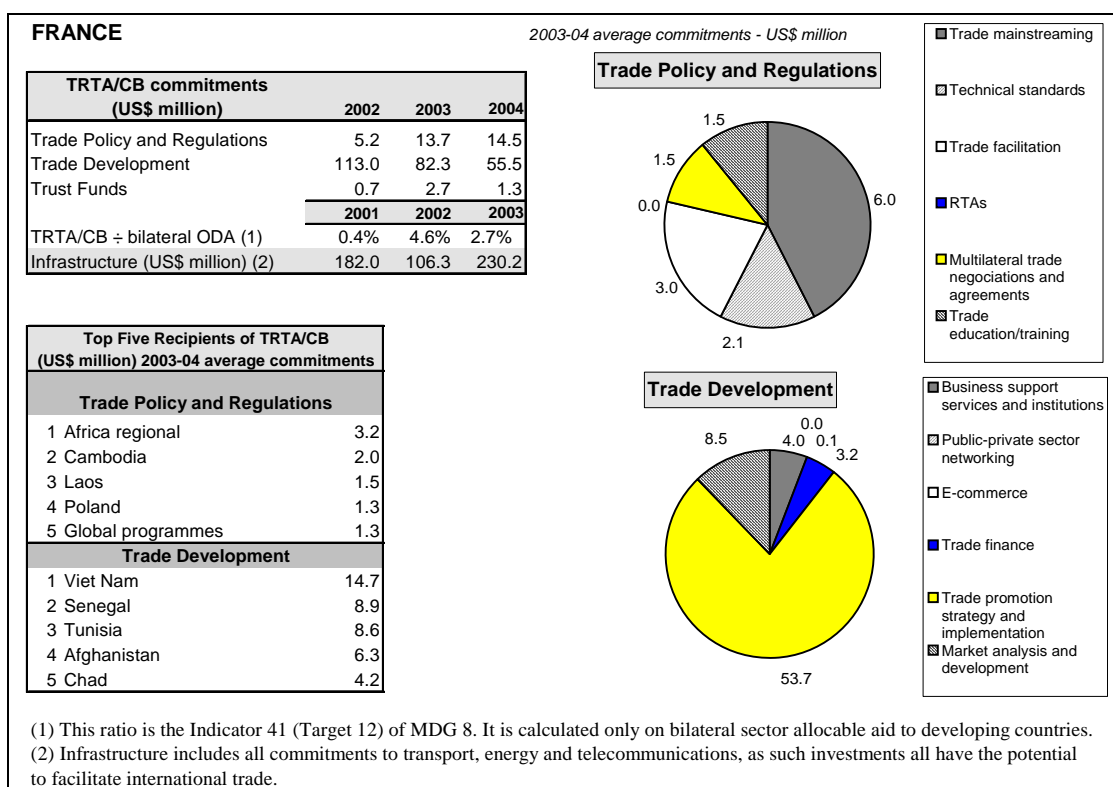
Strategy and objectives: France has identified “support to the private sector” as one of its ODA priority areas. France’s private sector development strategy aims at strengthening the competitiveness of the private sector by enhancing access to credit, services and world markets. Hence TRTA/CB is an aspect of that strategy.

French TRTA/CB aims at integrating developing countries in world trade, in order to spur growth and poverty reduction. The objectives of TRTA/CB are to:

- Improve the export capacities of developing countries;
- Support the negotiation capacities and the capacities to integrate into the multilateral trading system.

In February 2002, France released its TRTA/CB strategy ("Plan d'accroissement des capacités commerciales des pays en développement ") which is built on 2 components- a bilateral component (see PRCC below) with a €30 million budget, and a multilateral component with a €3 million budget (channelled through the IF and DDA Global Trust Fund).

Priority areas: Support for the development of **export capacities of LDCs**- including capacity development for compliance with TBT and SPS; formulating and implementing sound trade/ export promotion strategies (coherent with national development strategies) and increase trade finance.



Germany

Strategy and objectives: TRTA/CB, financed for the most part by the German Federal Ministry for Economic Cooperation and Development (BMZ) is delivered on demand of developing countries mainly as part of bilateral activities in the field of “economic development and employment”, one of the priority areas of Germany’s Official Development Assistance (ODA) but also as part of activities in the fields of “Agriculture” and “Institution Building”. Germany emphasises the importance of embedding developing countries’ trade policies in comprehensive national development and poverty reduction strategies. German TRTA/CB’s longer-term aim is to reduce poverty by integrating developing countries into the global economy, enabling the latter to fully benefit from the advantages of globalization, while being able to respond to its risks effectively. In order to achieve that, Germany’s trade-related development programmes aim to strengthen developing countries’ capacity to:

- Negotiate multilateral trade agreements and improve the chances of a more equitable design of trade rules;
- Implement existing international trade rules, in order to achieve the greatest possible benefit for their national economies and for sustainable development;
- Trade, through improved competitiveness, in order to foster better use of new and existing opportunities for market access.

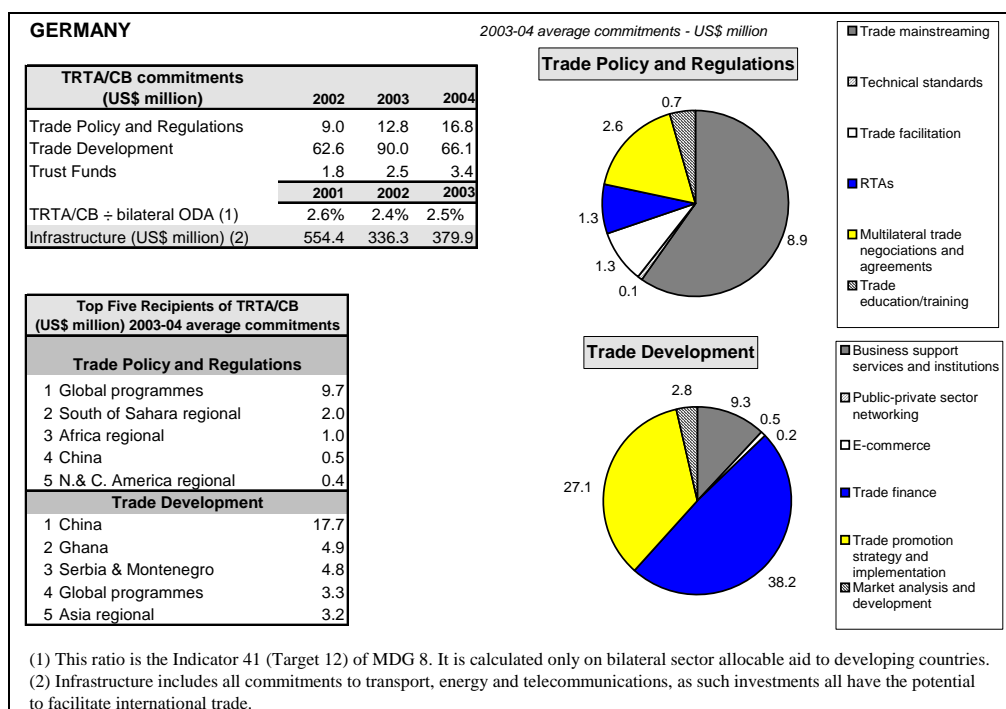
Germany also highlights the importance of *coherence* between OECD development and trade policies. It provides developing countries advice and information on the importance and potential effects of the dismantling of barriers and subsidies in industrialised countries.

Special focus: In addition to the TRTA/CB funding through the bilateral country programmes mentioned above the trade issue is given a special focus in two thematic projects and one fund:

(1) **agricultural trade** (2003-08): This component aims at improving the methodology and instruments for TRTA/CB in the agricultural sector and at strengthening their integration into development co-operation projects, the strategies and programmes of partner countries and the work of BMZ. One example of activity is the support to the Cotton Initiative of four West African countries, provided by supporting the EU-Africa Cotton Partnership.

(2) **trade policy and trade and investment promotion** (2003-07): The goal of this component is to develop innovative approaches and tools for institutional support for trade policy formulation and formulation and execution of trade and investment promotion strategies oriented towards poverty alleviation.

(3) **trade policy and trade promotion fund:** Monterey Fund, of EUR 9.5 million
LDCs will be given priority in this pilot project fund.

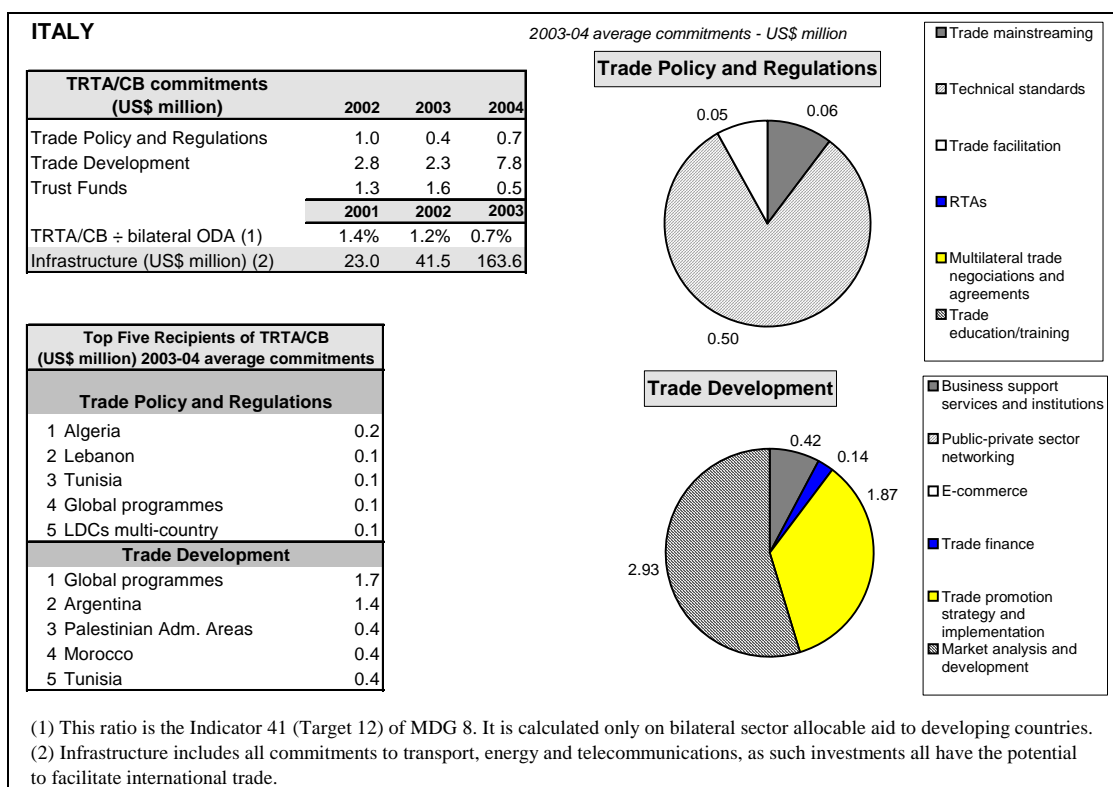


Italy

Strategy and objectives: Italy's TRTA/CB aims to enable developing countries to fully benefit from trade opportunities in order to achieve growth and development. Italy's TRTA/CB strategy has three main objectives:

- Assist institutions and enterprises in developing countries to better understand the global market rules, to actively participate in trade negotiations.
- Strengthen SMEs through financial and non-financial instruments (including technical assistance in institutions capacity building), in order to increase their capacity to compete in the global market.
- Support to the OECD Bologna Process for the promotion of SMEs in developing countries.

Priority areas: Italy's bilateral development assistance programmes heavily focus on **SME development** in developing countries, particularly in the **Mediterranean and the Middle Eastern countries**, as well as on **micro-credit** support. In addition, Italy supports the IF to provide the LDCs with TRTA/CB and the DDA Global Trust Fund providing TRTA/CB to developing countries taking part in multinational trade negotiations.



Japan

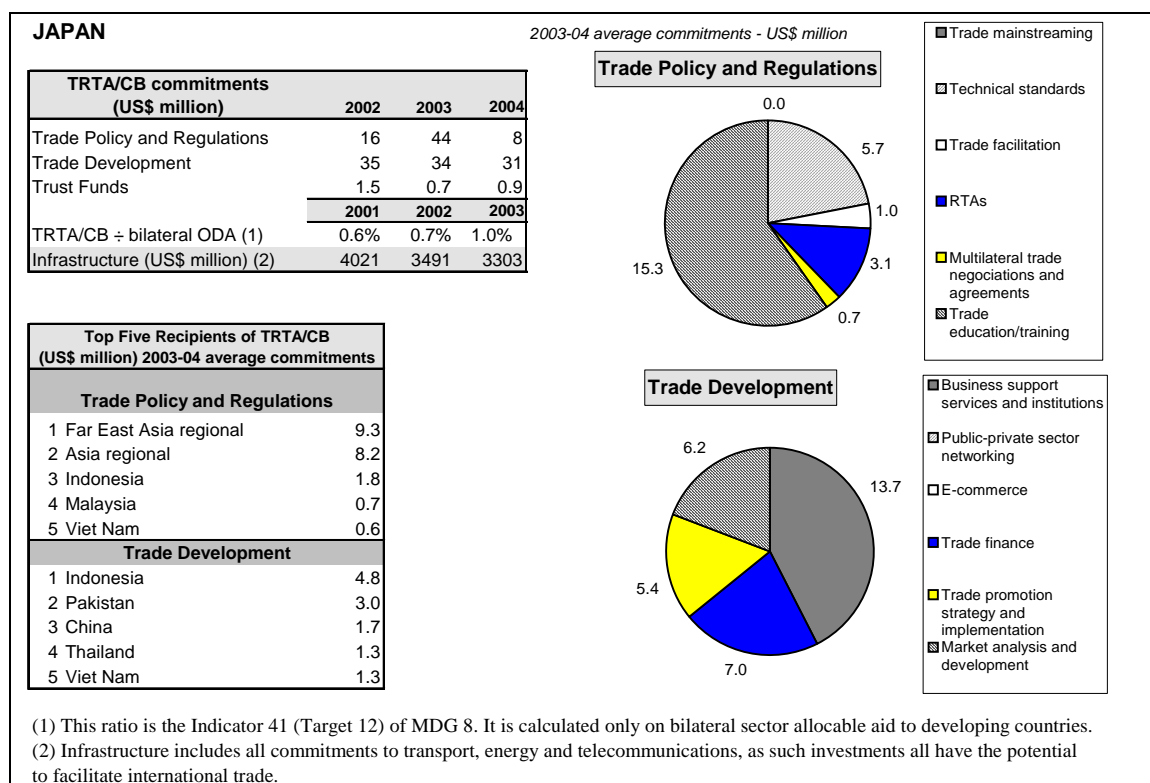
Strategy and objectives: Japan believes that international trade can play an important role in the promotion of economic development and poverty reduction. Japan's TRTA/CB has the following objectives:

- In the short term, to improve the capacity of developing countries to comply with WTO rules and participate actively in the Doha Development Round negotiations and work programme. The primary objective of Japan's WTO-related capacity building is to help recipient countries build the capacity necessary to maximise benefits from the WTO system and minimise obstacles, while bearing in mind the medium- and long-term maintenance of the WTO system through effective participation of developing countries.
- In the mid to long term, to enhance their capacity for self-development through trade and investment, by extending TRTA/CB to address issues such as institutional development, infrastructure building for trade and investment facilitation, increased productivity, promotion of SMEs as well as improvement of industry and trade policy making.

Priority areas: Japan's TRTA/CB, namely assistance in the area of trade and investment facilitation, focuses on:

- (1) **infrastructure building** for trade and investment facilitation (e.g. economic infrastructure maintenance);
- (2) capacity building for **trade facilitation**;
- (3) capacity building **for effective participation** of international trade and investment frameworks, such as WTO;
- (4) capacity building for the development of the **export industry**.

Japan's technical co-operation implementing agency (JICA) has responded to the needs of developing countries, in particular in the **Asia/APEC** region, by delivering WTO-related capacity building activities, e.g. supporting WTO accession, implementation of WTO Agreements and multilateral trade negotiations by setting up specific regional/country training courses for each WTO Agreement, (e.g. technical barriers to trade; agriculture; SPS Agreement; dispute settlement body).



The Netherlands

Strategy and objectives: Dutch TRTA/CB aims to help integrate developing countries in the world trading system and strengthen their position in the system so that they can maximise benefits. The objectives of TRTA/CB are to:

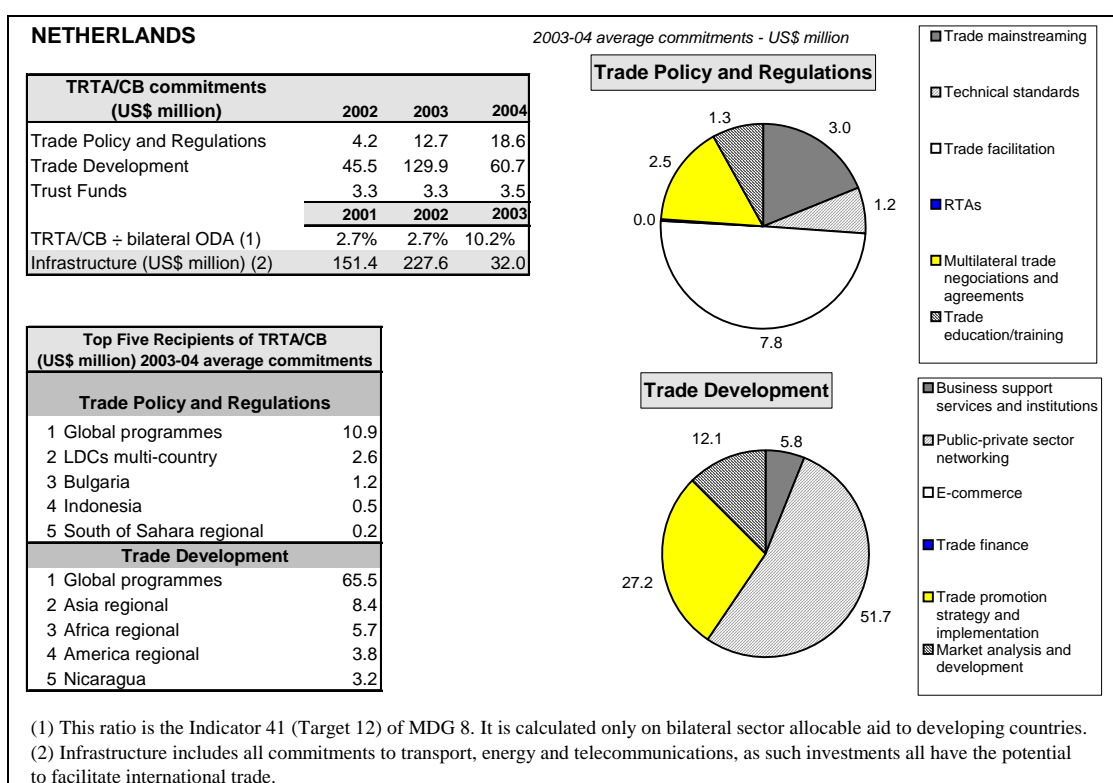
- Increase the negotiating capacity of developing countries in the WTO, to implement GATT and WTO Agreements, and make use of the Dispute Settlement Mechanism;
- Enable developing countries to make more effective use of trade opportunities created by trade liberalisation, i.e. to raise the export capacity of developing countries.

Since the Doha Ministerial Conference, the Netherlands has become even more convinced of the need for TRTA/CB, and has reinforced its efforts. It takes an active part in policy discussions in the WTO, UNCTAD, DAC/OECD on implementing the commitments on technical assistance embedded in the Doha Declaration

Priority areas: Support for **co-operation between the Dutch and developing country private sector** has become more prominent in Dutch TRTA/CB policies in recent years, and **improving the business climate** in developing countries is a high priority for the Dutch Minister for Development Cooperation. Similarly, the *Programme for Co-operation with Emerging Markets* (PSOM) and the *Netherlands Management Co-operation Programme* (PUM), two major private sector development programmes, have a substantial trade component. PSOM aims to encourage trade and investment relations between Dutch companies and local companies in PSOM countries, by providing grants and business development support.

In addition, the Minister for Development Co-operation and the Minister of Economic Affairs released the Dutch policy memorandum on Economy and Development, “*In Business Against Poverty*” (2nd edition) in January 2002. In June 2005, the two Ministries launched an online database “*Developing your Business*”, aimed at encouraging and supporting Dutch firms to do business with and in emerging markets, including many developing countries.

The Netherlands has also intensified bilateral activities in the area of **trade facilitation** and **quality and safety standards**.



New Zealand

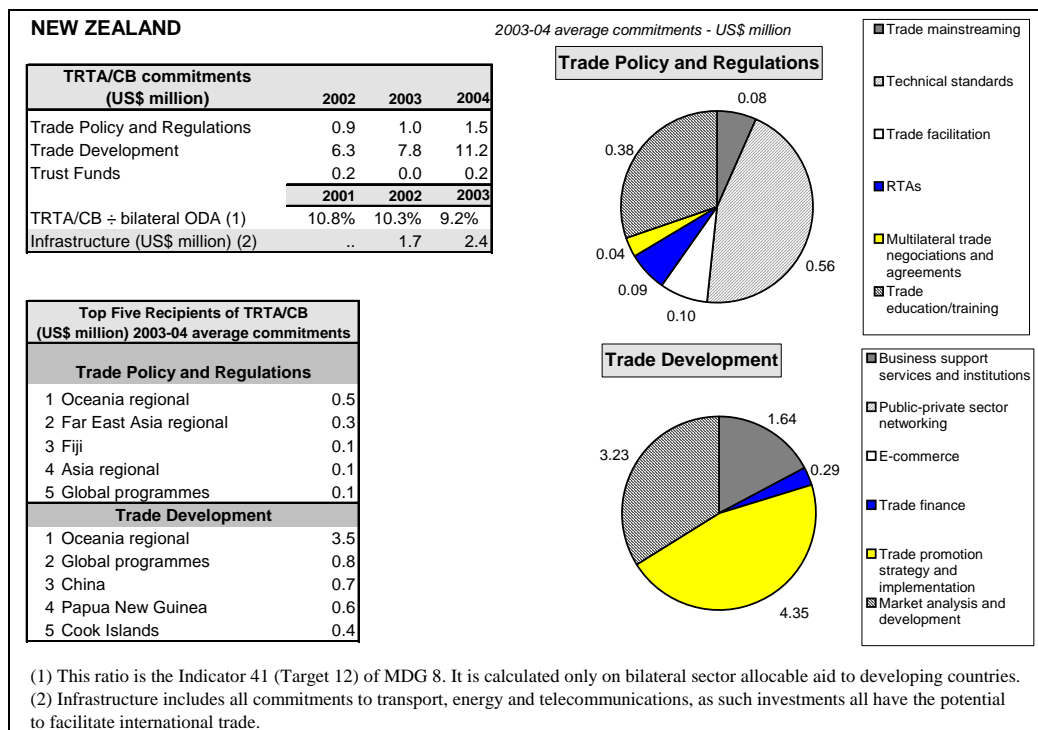
Strategy and objectives: TRTA/CB is a key development target in New Zealand's ODA. New Zealand published in May 2003 a trade and development policy, "*Harnessing International Trade for Development*", which recognises the need for addressing developing countries' trade concerns as part of broader efforts to reduce poverty, highlighting that trade can contribute to poverty reduction when critical economic and governance factors are in place. New Zealand stresses the importance of *coherence* between trade and development policies.

Concretely, the New Zealand Agency for International Development (NZAID) supports its partners' abilities to reap the benefits from a fairer international trading system in two main ways:

- through trade policy development – by engaging widely in the international trade policy debate and working with the wider Ministry of Foreign Affairs and Trade to develop common positions on key trade policy issues.¹⁹ In addition, NZAID monitors New Zealand's SPS, rules of origin, and food safety requirements to ensure that these do not unduly constrain imports from developing countries;
- through TRTA/CB programming. The "Trade and Development Programme", initiated in early 2003, is an important mechanism for rolling out NZAID's trade and development policy. However, it is not the only mechanism, as trade and development initiatives are also funded through other bilateral, regional and multilateral programmes.

Priority areas: New Zealand places priority on the **Asia** and the **Pacific**. Its bilateral Programme focuses on:

- Addressing **supply-side constraints**: help developing country partners to move up the value chain into higher value-added activities such as processing, marketing, export and branding;
- **Removing border barriers** to trade: improve the standards of developing country exports (SPS/TBT) as well as facilitating customs clearance;
- Promoting **fair trade**: build consumer awareness around fair trade (NZAID supports the NGO *Trade Aid* and has just provided funding over three years to promote public awareness of Fair Trade in New Zealand).



¹⁹ Major themes of interest include special and differential treatment for developing countries in the agricultural negotiations, and improving poor people's access to essential medicines to combat HIV/AIDS, malaria and TB under the TRIPS Agreement. Other trade-related discussions are conducted in the AFTA/ CER, APEC, and PICTA/ PACER contexts.

Norway

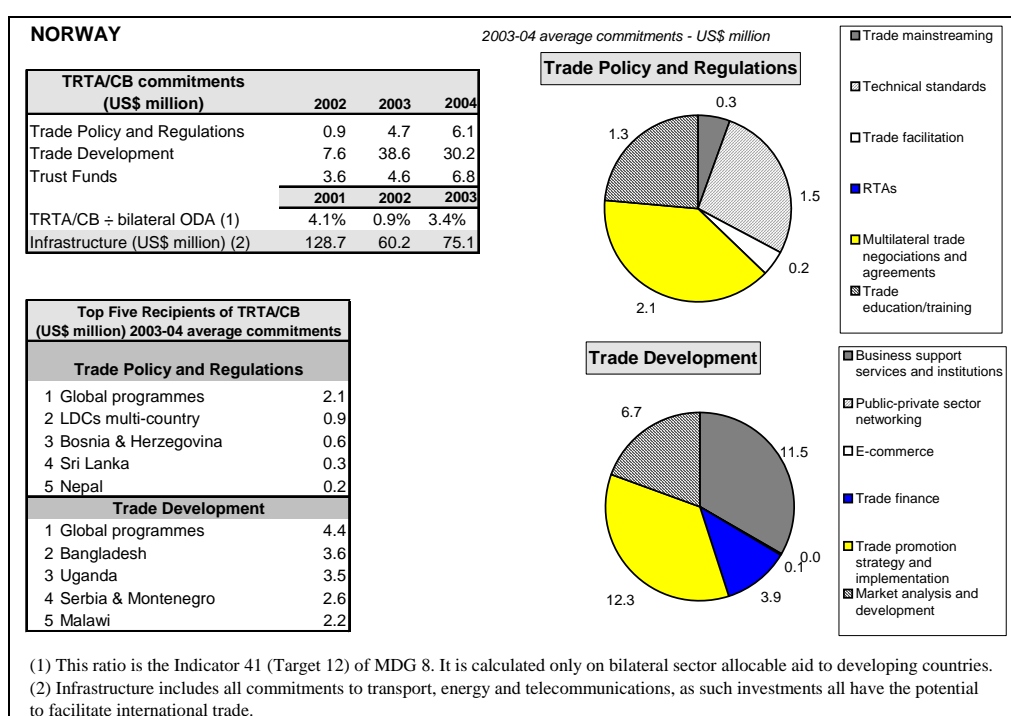
Strategy and objectives: Norwegian TRTA/CB aims to assist developing countries in strengthening their participation in the international trading system and in international trade, and thereby contribute to economic growth and poverty reduction. Budget allocations for such assistance have been increased during the last years. The main objectives are:

- To assist developing countries and in particular the LDCs in their efforts to promote their interests through active participation in trade negotiations and in the rules based international trade system.
- To support the efforts that are made in integrating trade related aspects into national development plans
- To contribute to increased participation of developing countries in international trade by improving their supply side capacity and promoting investment, private sector development and exports.

Priority areas: Norway's TRTA/CB has a particular focus on **LDCs and Africa**.

Priority is given to the development of efficient and coordinated **multilateral** channels for TRTA/CB, and in particular to the Integrated Framework (IF) and the efforts to integrate trade concerns into national development strategies. Priority is also given to facilitate LDC participation in trade negotiations..

Norway's **bilateral** TRTA/CB focuses on private sector development and supply side capacity. Emphasis is given to the development of the agricultural sector. Efforts are made to help improve product quality and develop control mechanisms (including compliance with SPS/TBT). A specific *Strategy for Support for Private Sector Development in Developing Countries* includes important trade related elements. Norwegian companies are encouraged to engage in commercial activities in developing countries. A special unit is established to offer information on market access and regulations in Norway as well as a company matching database.



Note: Norway did not provide complete 2002 reporting; totals for this year are thus partial.

Portugal

Strategy and objectives: Portugal's TRTA/CB activities aim to:

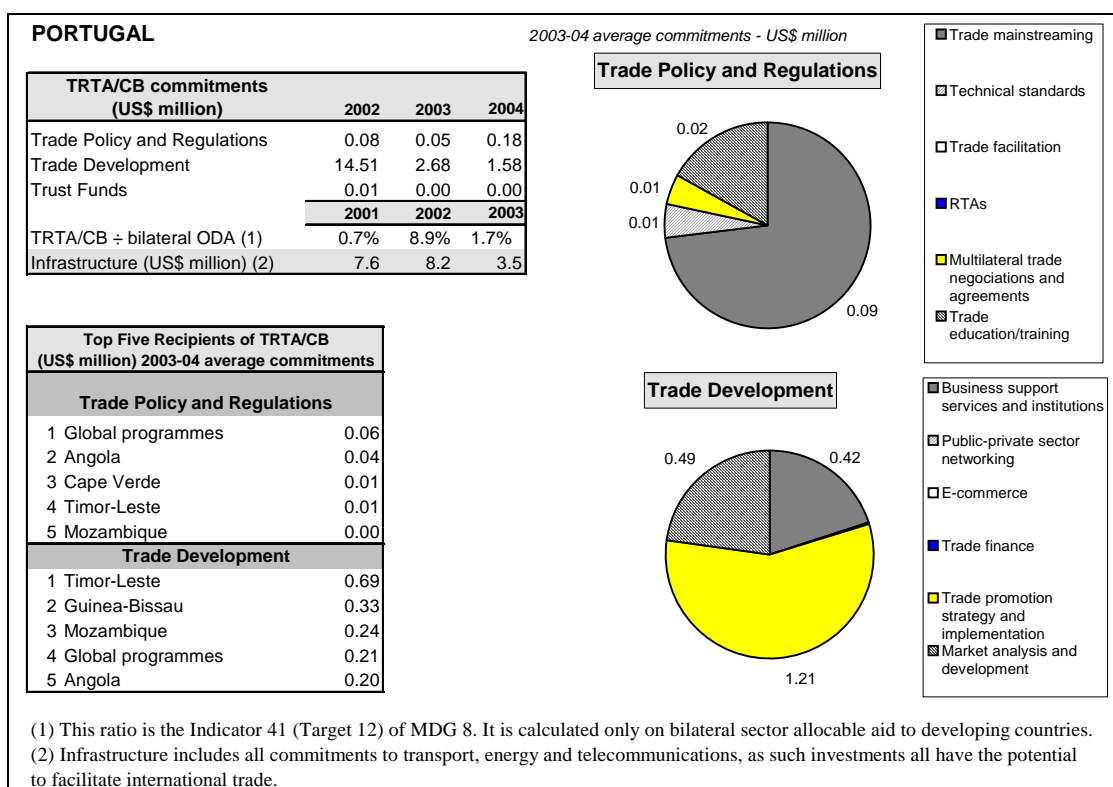
- Contribute to support the developing countries' negotiation capacity within the WTO;
- Promote a better integration in the multilateral trading system.

Priority areas: Subsequent to the WTO Doha Ministerial, Portugal has strengthened its programmes in TRTA/CB on the so-called new topics in international trade – i.e.:

- Trade and Investment, Competition
- the Transparency of Public Markets
- Trade Facilitation
- Trade and the Environment.

TRTA/CB programmes are targeted at the technical and human institutional empowerment of the equivalent bodies in the ODA recipient countries, particularly the **LDCs, the five Portuguese-speaking countries in Africa and East Timor**. Portugal also assists these countries in the ongoing negotiations at the WTO with a view to a multilateral framework for the different areas.

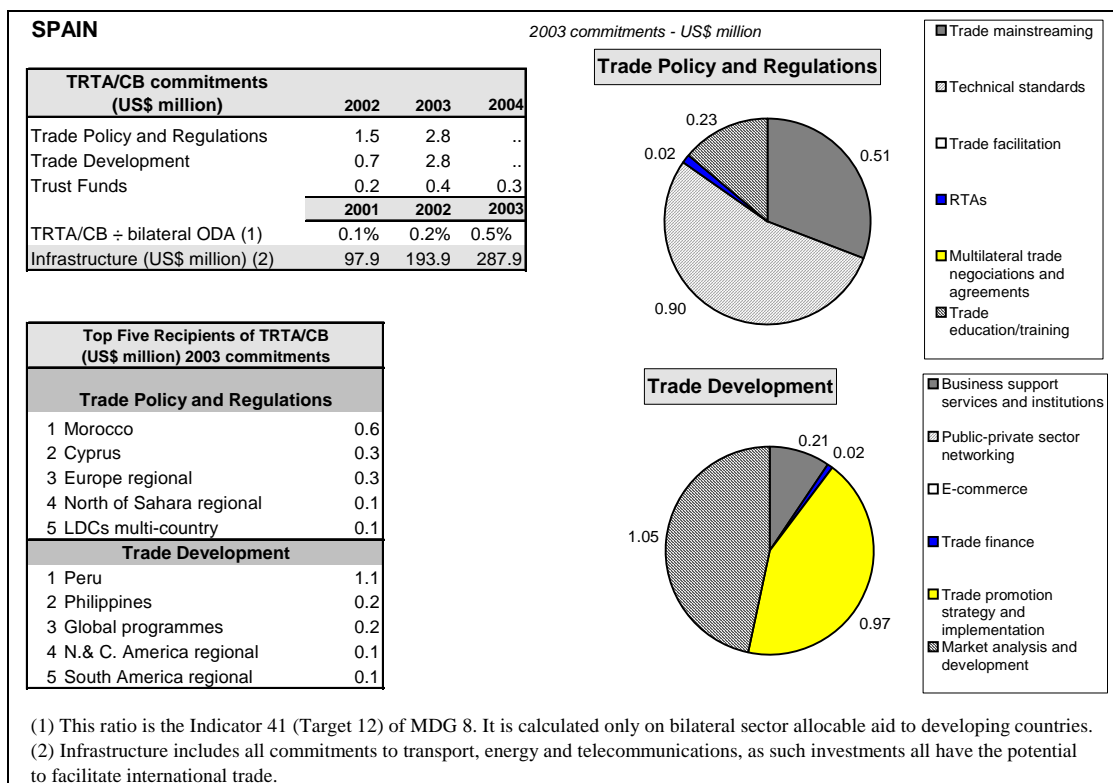
The support for trade-related sectors like agricultural productivity and the development of energy sources – including renewable forms of energy – remains an important field for Portugal's bilateral development assistance. The country also seeks to promote a closer articulation between public co-operation and the so-called business co-operation.



Spain

Strategy and objectives: Information not available.

Priority areas: Most TRTA/CB is aimed at **Central and South American**.



Sweden

Strategy and objectives: Capacity development is at the core of Swedish development co-operation. The goal of the Swedish TRTA/CB activities is to enhance developing countries' ability to make use of international trade to boost their development and fight poverty. Sweden's TRTA/CB activities can be divided into the following categories:

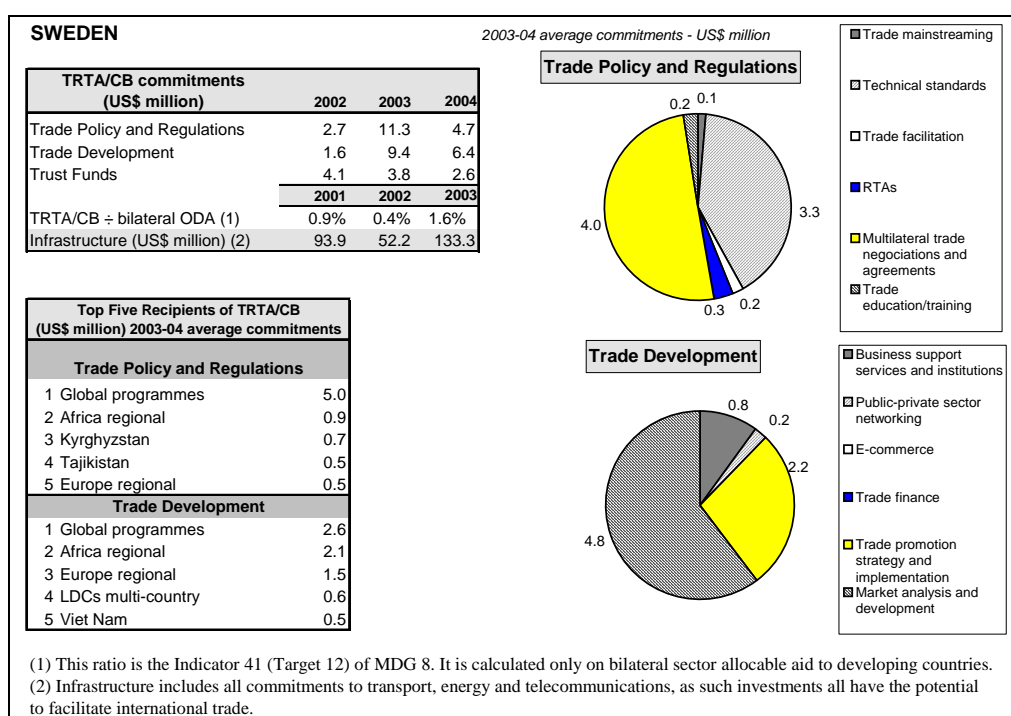
- Enhancing developing countries' ability to formulate and implement a trade policy and to negotiate multilateral trade agreements;
- Enhancing the capacity to meet requirements related to SPS and TBT and the ability to use preferential trading arrangements;
- Strengthening institutions that are vital for efficient trade in goods and services; and
- Developing marketing and export capacity among developing country exporters.

The Government instructed the Swedish International Development Co-operation Agency (Sida) to respond to the commitments regarding TRTA/CB that were made by Ministers in Doha and to integrate trade aspects when formulating country development strategies (mainstreaming trade in development). At the same time, the Swedish "Policy for Global Development", a policy reform (adopted in 2002/3) is placing the development perspective into focus in all of Sweden's policy areas- encouraged higher priority for TRTA/CB within Swedish trade policy (mainstreaming development in trade).

Priority areas: TRTA/CB focuses mainly on support for negotiations, participation and implementation of **WTO Agreements**, trade-related **infrastructure** and **trade promotion and market development** activities (covering institutional support, targeted export support, as well as business-to-business support).

In 2003-2005, Sweden supported (through IDEAS) a number of West- and Central African countries with a view to strengthen their negotiating capacity in the WTO "Cotton initiative". In addition, Sweden is functioning, together with the US, as the donor coordinator for the bilateral donors in the IF process.

The *Open Trade Gate Sweden*, an initiative of the Swedish Minister of Trade and Industry and the Swedish Minister of Development Co-operation, strives to facilitate trade for exporters in developing countries doing or planning to do business with Sweden and the European Community.

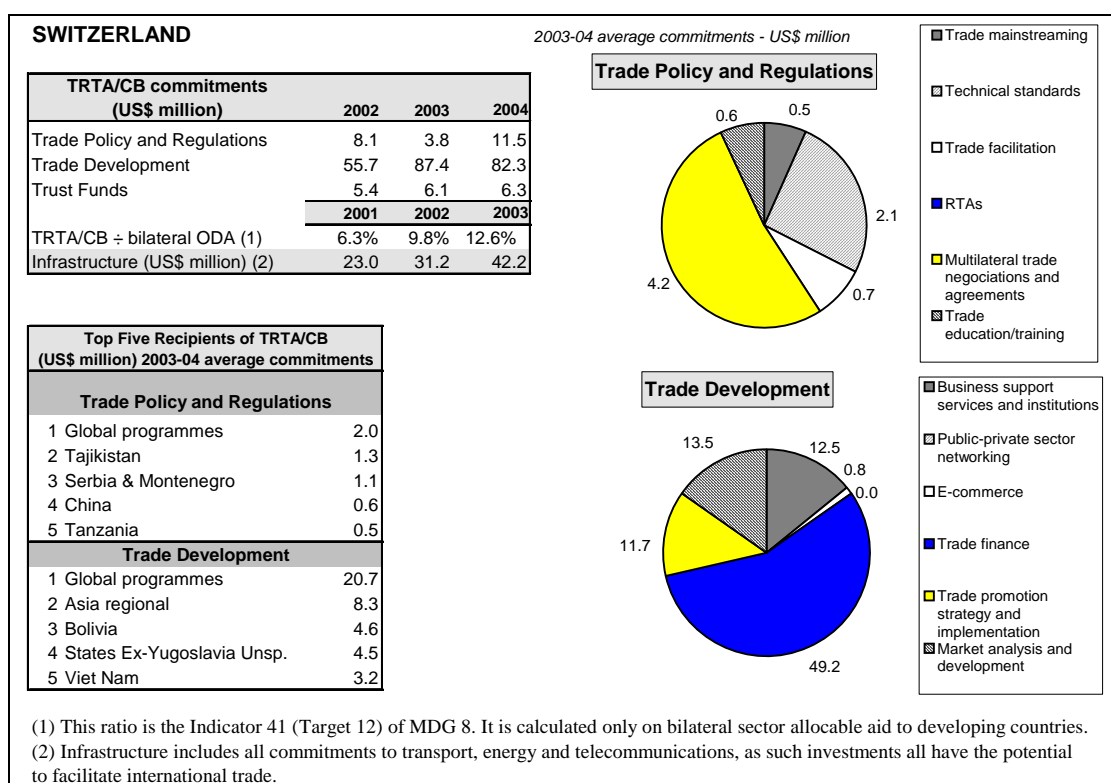


Switzerland

Strategy and objectives: The *Strategy 2006* is the main strategic framework guiding the operations of the Swiss Economic Development Co-operation. It seeks to promote sustainable economic growth in partner countries by supporting stable macroeconomic conditions, encouraging investment and trade and by building a basic infrastructure, in order to foster the integration of these countries in the world economy, with the overall goal of reducing poverty. The *Strategy 2006* was complemented in 2004 with the *Agenda 2010 for Poverty Reduction*. The division for Economic Development Co-operation within the State Secretariat for Economic Affairs (SECO) aims at an optimal *coherence* between the objectives of development co-operation and those of foreign economic and trade policy, and has established a WTO Task Force for Trade and Development.

Priority areas: Trade-related co-operation activities are structured around five main areas:

- **Support trade policy:** Strengthen trade policy formulation and implementation capacities in partner countries and in Geneva
- **Facilitate access to the Swiss market:** Support the import to Switzerland and neighbouring countries of goods produced by SMEs in partner countries through the Swiss Import Promotion Programme (SIPPO). Promote tariff reduction and preferential access to the Swiss market (through the General System of Preferences) and support labels such as fair trade and organic production.
- **Increase supply side capacities:** Help SMEs to build up their ability to meet international norms and standards (SPS/TBT); increase their export capacities and their competitiveness (marketing, market research, quality management, procurement, access to trade finance); and support the development of the relevant institutional structures, as well as measures to ease trade (e.g. customs modernisation).
- **Trade, Environment and Social:** Support efforts of partner countries and their industry sectors to comply with international environment and social conventions in relation to trade aspects. Promote coherence between trade, biodiversity, climate change and social considerations.
- **Commodities:** Switzerland is actively involved in the main international organisations dealing with raw materials, promotes sustainable production and supports partner countries' efforts to diversify their economic structure basis in order to reduce their dependency on raw materials and introduce price risk management.



United Kingdom

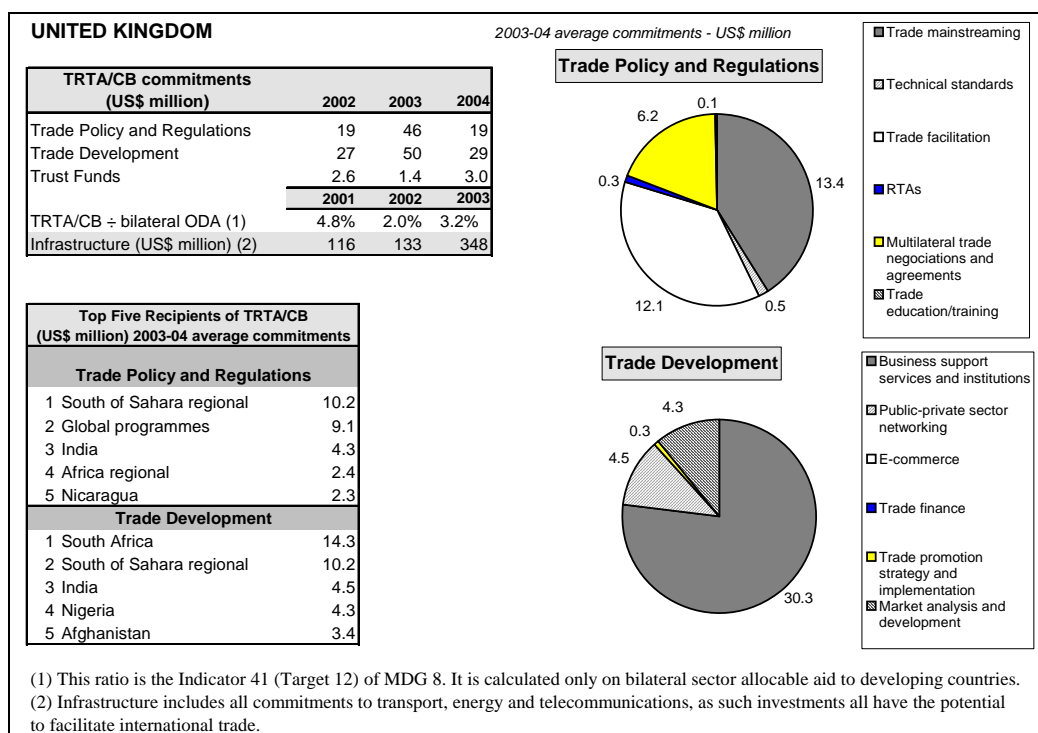
Strategy and objectives: The UK's TRTA/CB aims to help developing countries work up a development plan or poverty reduction strategy that incorporates trade and growth, by (1) listening to countries to identify what their development priorities are; (2) ensure that trade contributes to achieving the MDGs, by supporting developing countries to seize new opportunities and mitigate any short-term adjustment costs of trade liberalisation. TRTA/CB should hence focus on supporting countries in managing their own trade policy.

The UK works closely with developing countries to build the skills and knowledge they require to deal with trade issues as they relate to their country's specific needs. This requires *internal work to mainstream trade within country or regional programmes* and ensures effective links between central and country offices. In addition, the UK emphasises the importance of *coherence* between its own trade and development policies, and has set common targets for the Department for International Development (DFID) and the Department for Trade and Industry in the trade area.

In 2001, DFID published a policy paper, *Trade Matters* (2001), as well as guidance for its staff "*Building Trade Policy Capacity in Developing Countries and Transition Economies: A Practical Guide to Planning Technical Co-operation Programmes*" (March 2001), which is in line with the 2001 DAC Guidelines on Strengthening Trade for Development. Most recently, DFID released its *2005-2007 Draft Strategy Paper on Increasing the Impact of DFID's Work on Trade* (which is based on the findings of DFID's recent thematic evaluation of TRTA/CB).

Priority areas: Since January 1998:

- Over half the overall funding has been for programmes in *Africa*.
- Twice as much funding has been allocated to *trade development* as to trade policy and regulations (in this regard, it is noteworthy that the 2005-7 strategy highlights the need to focus more on interventions with a longer-term impact).
- Nearly two-thirds of trade policy and regulations programmes have been aimed at *integrating trade into development plans or poverty reduction strategies*.
- Nearly three-quarters of trade development programmes *assist small businesses and access to trade finance*.
- Nearly a quarter of trade policy and regulations funding has been for training negotiators and helping developing countries develop their negotiating positions.



United States of America

Strategy and objectives: The United States is committed to working in partnership with developing countries and transition economies to remove obstacles to development, among which are barriers to trade, and to help these countries take advantage of the opportunities from participating in the rules-based multilateral trading system.

The United States released a strategy paper, “*Building Trade Capacity in the Developing World*” (March 2003), in which it recognises that TRTA/CB activities are likely to have greatest impact when implemented in reform-minded developing countries. The Paper also stresses the importance of having a demand-driven approach to TRTA/CB. In preparation for the Cancun WTO Ministerial Meeting, the US also released “*US Contributions to Trade Capacity Building: Improving Lives Through Trade and Aid*” (September 2003).

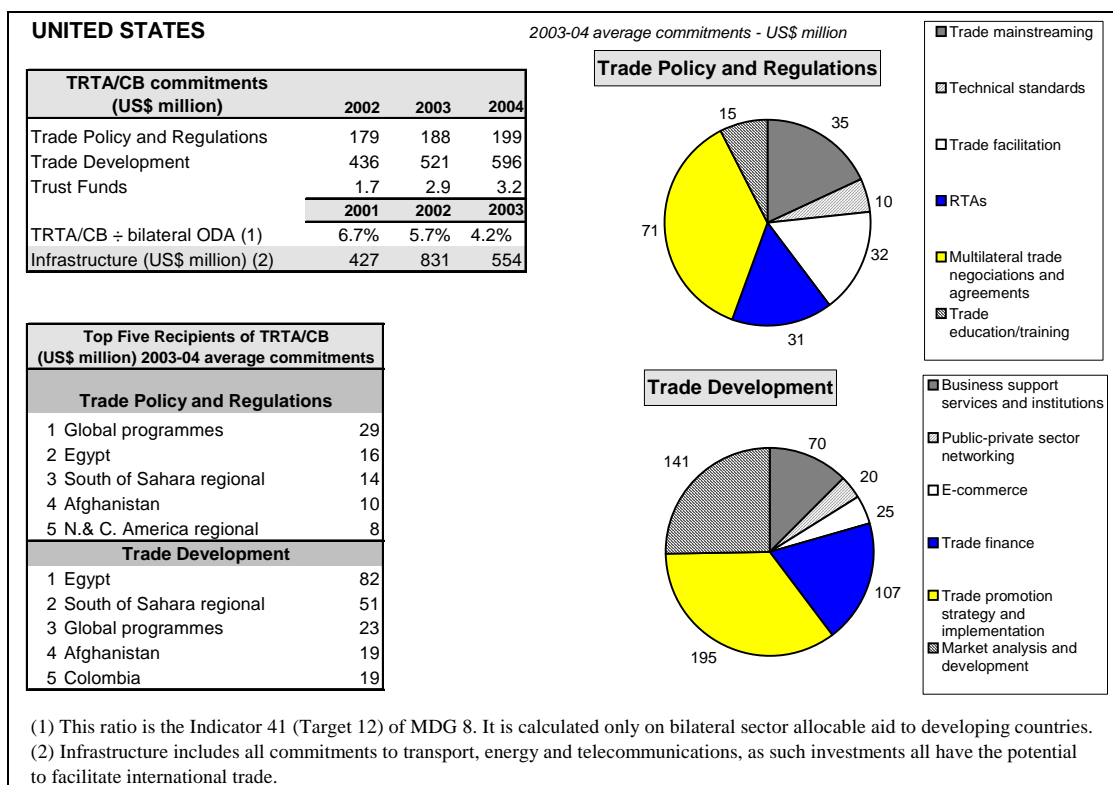
Priority areas: US TRTA/CB assistance activities focus on 3 broad issues, namely support for:

(1) **Participation in trade negotiations:** The US helps to build negotiators capacity to understand and analyse the issues in complex bilateral, regional and multilateral trade talks and agreements, including accession to the WTO. The US conducts TRTA/CB for trade-related negotiations in trade forums such as the Free Trade Area of the Americas (FTAA), Central American Free Trade Agreement (CAFTA); APEC and negotiations on bilateral Free Trade Area Agreements between the United States and a number of developing countries.

(2) **Implementation of trade agreements:** The US helps countries to carry out trade agreements that may require special reporting and institutions plus increased co-ordination, information management, and oversight across ministries.

(3) **Responding to and benefiting from trade opportunities:** The US implements projects to address a wide range of development needs in the public and private sectors to increase countries’ competitiveness—from helping governments create a competitive and enabling environment to supporting local enterprises’ abilities to produce goods and services the world is willing to buy (including support for export diversification).

The emphasis of assistance differs in each region and evolves over time as developing country partners identify new technical needs.



V. Donor Profiles - Multilateral Agencies and International Financial Institutions

Food and Agriculture Organization of the United Nations (FAO)

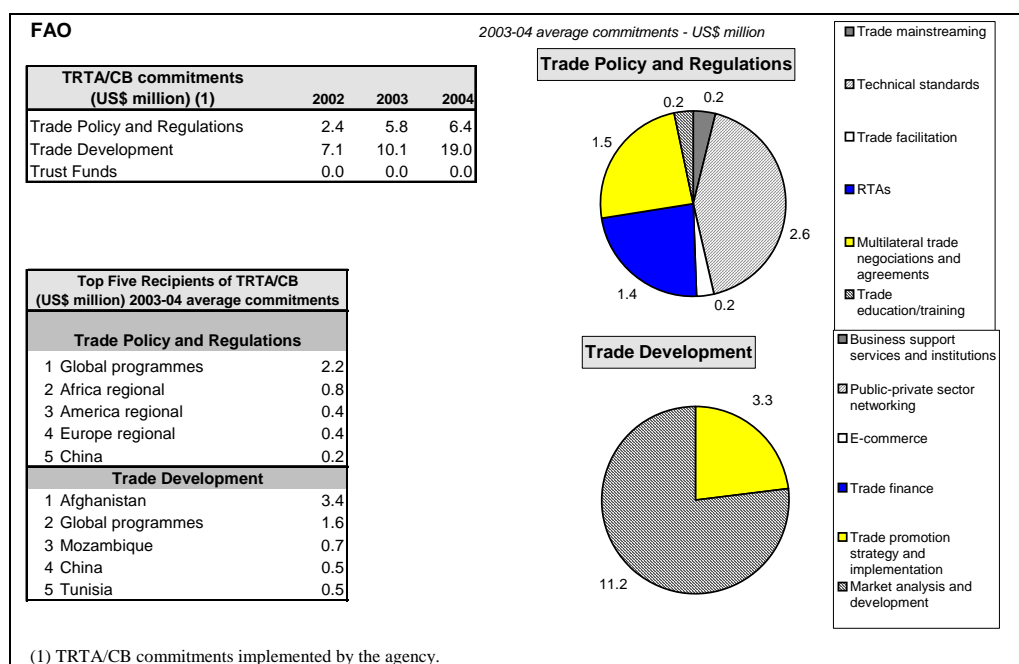
Strategy and objectives: Trade is a substantive area of common interest to many FAO departments and has been identified in FAO Strategic Framework 2000-2015 as one of 16 *Priority Areas for Inter-disciplinary Action* (PAIAs) over the medium-term.

The objective of FAO's TRTA/CB Programme is to enhance FAO's support to Members, particularly developing and transition countries, for their effective participation in multilateral trade negotiations on agriculture, as well as their integration into global trade of food, agricultural, fishery and forestry products.

FAO's approach is multidisciplinary in that it involves capacity building for trade, including analytical as well as operational field activities with a direct impact on supply-side capacities.

Priority areas: FAO's TRTA/CB encompasses:

- (1) Work of immediate urgency in support of the **WTO negotiations** on agriculture, e.g.
 - Provision of information and analysis: Data related to agricultural production, consumption and trade in agricultural, fishery and forest products; statistics and analysis on food import bills of LDCs. FAO's trade website provides up-to-date information and analysis on the various issues relating to trade, agriculture and food security.
 - Training activities, which include workshops aiming to assist countries in preparing for negotiations, evaluating compatibility of their food and agricultural policies with WTO Agreements and in incorporating trade policy concerns in the formulation of domestic agricultural policy (e.g. the FAO Umbrella Training Programmes).
- (2) Support for **compliance with agreements**, e.g. establishing or adapting legislation, regulations and systems to comply with the WTO Agreements relating to agriculture.
- (3) Long-term **supply-side capacity building**, e.g. support for upgrading domestic SPS/TBT mechanisms to strengthen capacity to meet the standards; setting up trade information and export marketing systems; and supporting the formulation and implementation of investment projects to overcome supply-side difficulties hindering competitiveness. Support is provided in the framework of FAO's Technical Co-operation Programme.



International Monetary Fund (IMF)

Strategy and objectives: The IMF has responded to the trade adjustment challenges facing developing countries by stepping up its work on trade since the Doha Ministerial, yet it has not developed a fully-fledged TRTA/CB strategy so far. The Fund is examining ways to further strengthen support for trade adjustment, including through the use of floating tranches under Fund arrangements aimed at mitigating the balance of payments impact of trade reforms whose timing remains uncertain. The Fund could discuss the case for such tranches with authorities in the context of new Fund-supported programmes, or under existing arrangements, in conjunction with an augmentation of access at the time of a review. While it is not expected that floating tranches would be large, their release might serve as a trigger for additional donor funding in support of trade adjustment.²⁰

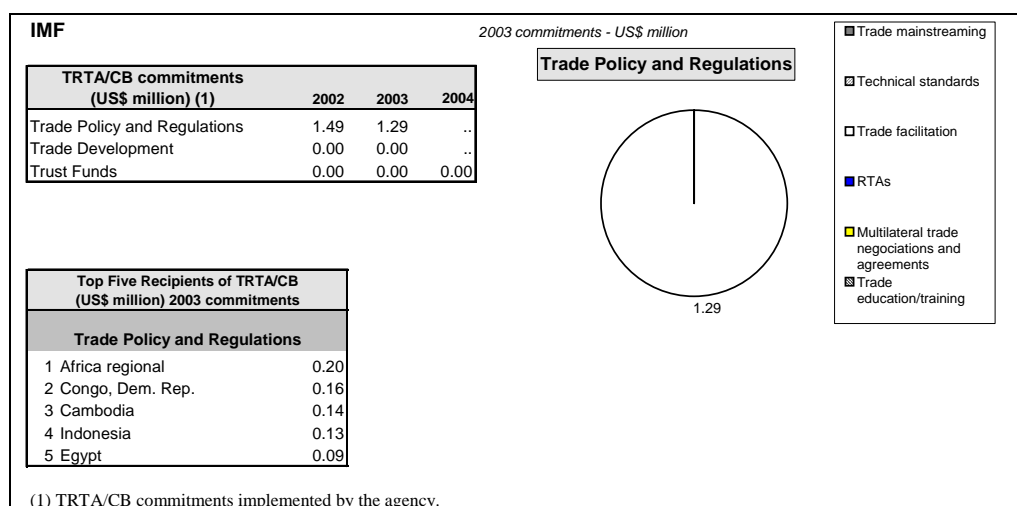
Priority areas: Trade-related activities at the IMF fall mainly into four categories: surveillance; financial support; technical assistance; and research.

(1) **Surveillance of trade policies:** Following the Doha Declaration, the IMF Executive Board encouraged the stepped-up surveillance of trade policies, especially in industrial countries whose policies are of fundamental importance for the world trading system.

(2) **Financial assistance:** The Fund remains fully committed to assisting members that face external payments imbalances in finding the appropriate mix of adjustment and financing, including when these imbalances stem from trade policy reforms. The **Trade Integration Mechanism (TIM)**, introduced in April 2004, provides additional assurances to Fund members of the availability of Fund financing in the face of uncertainty over the possible balance of payments impact of liberalisation by *third countries*—such as from preference erosion, changes in food terms of trade or the expiry of textiles quotas.²¹

(3) **TRTA/CB:** Assistance has increasingly focused on strategic elements aimed at providing an overall framework for reform and continuing oversight, thus complementing the more detailed elements of the technical assistance provided by other institutions and donors. The IMF has, among others, provided TRTA/CB for **customs and tax reform**.

(4) **Research:** Trade-related research is an important input into the more operational trade work. Fund studies in such areas as preference erosion, for example, have helped to identify countries with trade-related macroeconomic vulnerabilities and thereby led to more focused surveillance and a better dialogue with national authorities. Operational work has also benefited from Fund studies in areas such as the revenue implications of trade reform, the design of Regional Trade Agreements, balance of payments safeguards, and the links between exchange rate volatility and trade.



²⁰ Development Committee, *Information Note: Aid for Trade: Competitiveness and Adjustment* (April 2005).

²¹ TIM's Factsheet (March 2005) can be downloaded from <http://www.imf.org/external/np/exr/facts/tim.htm>

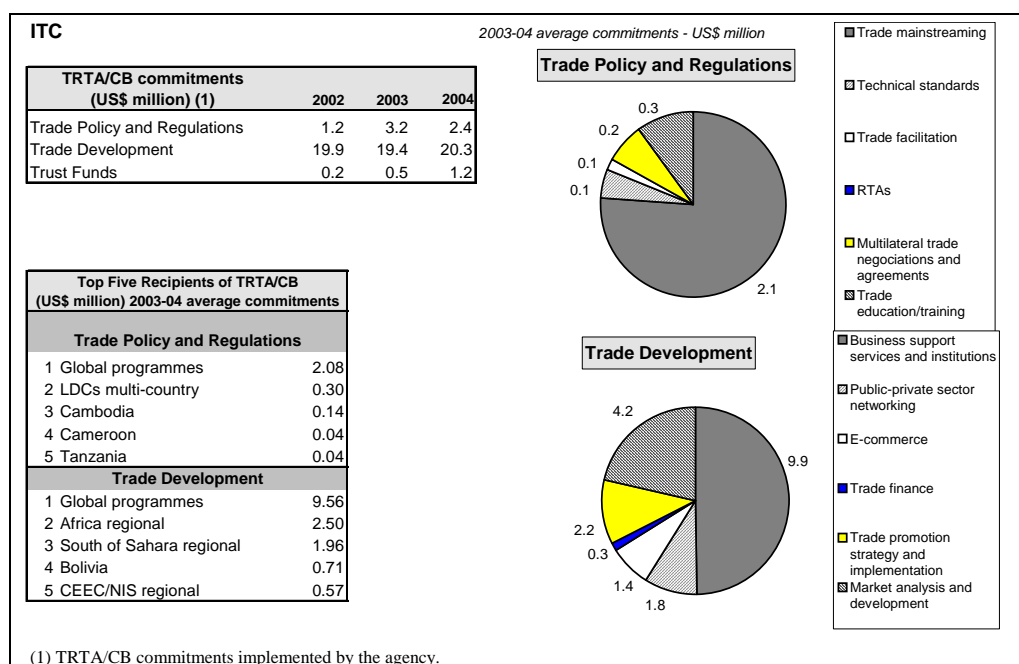
International Trade Centre (ITC)

Strategy and objectives: ITC is a trade-related technical co-operation organisation of UNCTAD and the WTO, whose mission is to support developing and transition economies, and particularly their business sectors, in their efforts to realise their full potential for developing exports and improving import operations, with the ultimate goal of achieving sustainable development. ITC's work focuses on the following long-term goals:

- Support national efforts to design and implement trade development strategies;
- Facilitate the integration of developing and transition economy enterprises into the multilateral trading system;
- Strengthen key trade support services, both public and private;
- Improve export performance in sectors of critical importance and foster international competitiveness (of SMEs in particular).

Priority areas: ITC activities revolving around private-public partnerships, practical capacity building for export, supply-side expertise, enhancement of trade support institutions and enterprise competitiveness are its quintessence. In the view of its Executive Director²², ITC could further concentrate its support in a number of niche areas, e.g.:

- (1) **Public-private partnership:** e.g. through the organisation of annual International Trade Fora that involve both public and private sector.
- (2) **South South trade:** e.g. through buyer-sellers meetings.
- (3) **Export-led poverty reduction:** e.g. by linking poor communities with export chains of products and services they can supply (the focus is on low capital, intensive sectors).
- (4) **Business advocacy for trade talks:** e.g. through World Tr@de Net and Business for Development projects.
- (5) **Export of services:** e.g. through ServiceExportNet.
- (6) **Provision of strategic trade information:** e.g. market analysis tools, to help bring more transparency in market trends, competition rules and knowledge of trade barriers (e.g. SPS/TBT).



²² Forty Years of Building Capacity to Trade...And More to Come, by J.D. Bélisle, International Trade Forum, Issue 4/2004

Organisation of Economic Co-operation and Development (OECD)

Strategy and objectives: The OECD aims to help member governments to tackle the economic, social and governance challenges of a globalised economy, by fostering good governance in the public service delivery and in corporate activity. It helps promote growth and development in OECD member states and in non-member states, and supports the multilateral trading system. In some cases, e.g. in the case of trade and aid, the OECD work pertains heavily to non-member economies too.

Priority areas: The work related to trade includes original data collection and analysis, cross-country comparisons, identification of good practices and dissemination of recommendations/guidelines in the areas of:

- (1) Trade policy, competition, and international investment;
- (2) Trade-related technical assistance and capacity building; and
- (3) Private sector, agriculture and sustainable development.

A CD-ROM toolkit designed to help trade policy makers, especially in developing countries, to enhance their understanding of trade policy issues and negotiating procedures of direct relevance to the Doha Development Agenda has also been produced.²³ In addition to disseminating the results of the analytical work, TRTA/CB is offered through policy dialogue and co-operation with non-members.

The OECD also participates actively in global policy discussions on TRTA/CB and in the Integrated Framework Working Group, and has developed jointly with the WTO a transparent and user-friendly Trade Capacity Building Database to enhance co-ordination and coherence in TRTA/CB delivery.

²³ Information about the Tool Kit is available at www.oecd.org/trade, with a link to "Updates to the CD-ROM Tool Kit".

United Nations Conference on Trade and Development (UNCTAD)

Strategy and objectives: UNCTAD's technical cooperation activities are a significant element in achieving the objectives and policies outlined in the Sao Paulo Consensus adopted by the Conference at its eleventh session held in Sao Paulo (Brazil), in June 2004. The principal aim of UNCTAD's technical cooperation is to enhance human and institutional capacities of developing countries and countries in transition to:

- Better understand their economic problems and strengthen their development and trade policies;
- Create an institutional environment conducive to sustainable development
- Participate fully in the world economy, particularly in international trade, finance and investment, including through effectively taking part in international negotiations and in their implementation.

In October 2003, the Trade and Development Board requested the secretariat to implement the new *UNCTAD Technical Cooperation Strategy*, based on the concept of capacity development. This strategy stresses the need to enhance the endogenous capacity of developing countries to formulate, implement and evaluate their own national trade, investment and development policies, with a view to supporting poverty reduction policies and the achievement of MDGs. The text of the Strategy can be found on the UNCTAD's website.

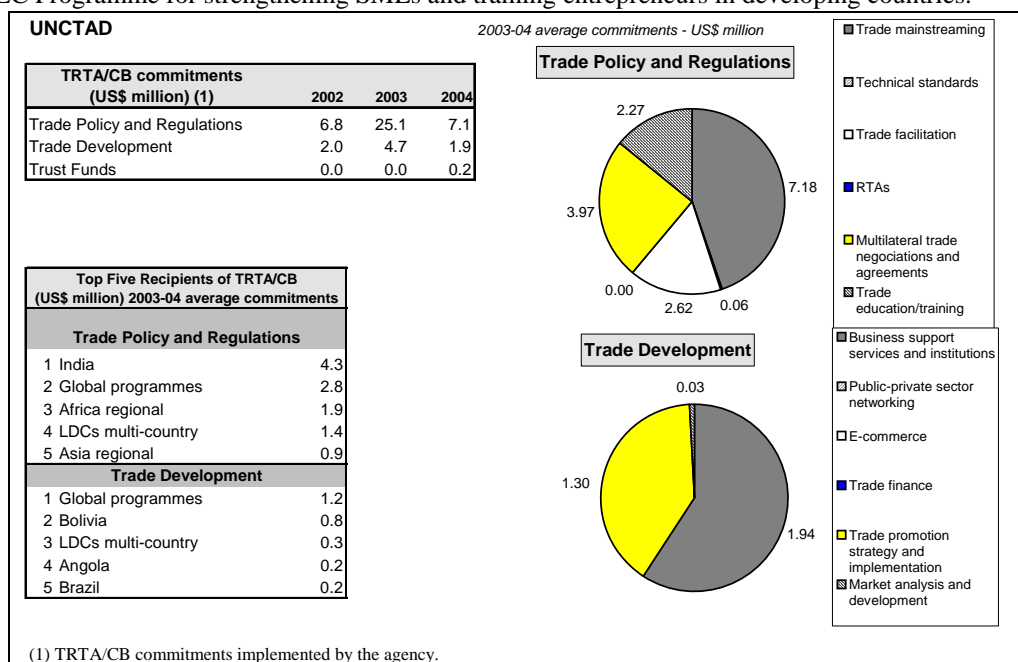
Priority areas: The thrust of UNCTAD's technical cooperation is capacity development in the main areas of its work:

(1) **Trade Policies and Trade Negotiations:** Policy-oriented studies and training on issues on the international trade agenda; assistance to WTO acceding countries; policy-making in the services sector; utilisation of GSP schemes and other preferential trade arrangements; south-south trading negotiations; development of analytical tools and database on trade; capacity building activities in the areas of commodities.

(2) **Transport Logistics and Trade Facilitation:** Support for the modernisation of customs through the Automated System for Customs Data (ASYCUDA Programme); transport operators; shipping and ports; Trade Support Institutions and e-commerce.

(3) **Structured Training and Networking:** The TRAINFORTRADE Programme which seeks to strengthen training through distance learning; The UNCTAD Virtual Institute that provides trade-related knowledge to universities and research institutes in developing countries

(4) **Investment Policies and Promotion and Enterprise Development:** Investment rule-making and international investment agreements; investment policy reviews; strengthening national framework for attracting FDI; EMPRETEC Programme for strengthening SMEs and training entrepreneurs in developing countries.



United Nations Development Programme (UNDP)

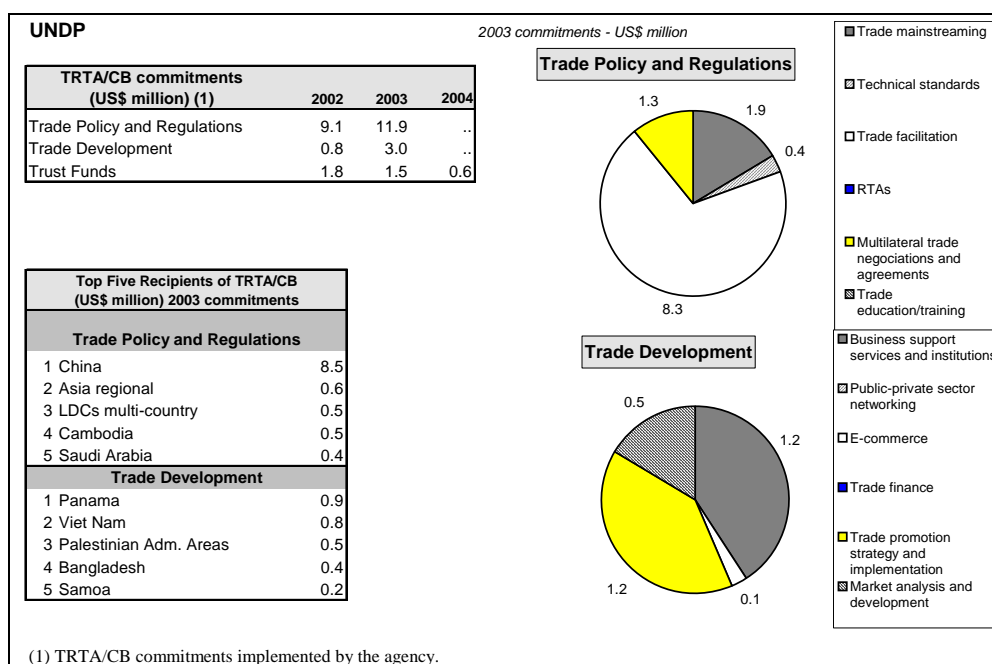
Strategy and objectives: While acknowledging that the expansion of international trade and participation in the world economy can lead to long-term economic growth and human development, UNDP considers trade as a means to human development, not an end in itself. Along with the international partners, UNDP supports a number of regional and national efforts to strengthen the ability of developing countries to integrate into the global economy on their own terms, and with the greatest possible impact on poverty. UNDP also plays the central role in the monitoring of the 8th goal of the Millennium Development Goals (MDGs) which is essentially designed to hold donors accountable to their trade, aid and debt obligations.

UNDP considered the following topics as central areas of concern to the development content of the Doha Development Round: (i) agriculture; (ii) implementation issues and special & differential treatment (S&D); (iii) services; (iv) LDC-specific commitments; and (v) capacity development. Progress in these five areas could be viewed as partial steps towards making the global trade regime more development-friendly and better oriented towards achievement of the MDGs.

On a related note, UNDP launched an initiative and released a report in 2003 on “*Reforming Technical Co-operation for Capacity Development*” which explored the fundamentals of (trade and non-trade) capacity development and how technical co-operation could best contribute to the development of lasting local capacities. For more information, see the UNDP website on capacity building (<http://capacity.undp.org/>).

Priority areas: Major areas of focus are the strengthening of the **bargaining power of countries in WTO negotiations** and **capacity development**. Current trade-related activities at global, regional and national levels include:

- Advocacy on the linkages between trade, human development and the MDGs and analytical work to improve the trade negotiating position of poor countries.
- Incorporating human development concerns into the IF and in other country-level trade capacity development interventions, including strengthening linkages between national poverty reduction plans and PRSPs and pro-poor trade policies; facilitating donor co-ordination and South-South co-operation on trade-related issues; and the management of the IF Trust Fund.
- Establishment of a corporate database as a tool for knowledge sharing on trade capacity development experiences – the poverty and MDG knowledge networks provide a platform for discussion of pro-poor issues of which trade is a subset.



United Nations Industrial Development Organization (UNIDO)

Strategy and objectives: UNIDO's mission is to contribute to the achievement of a considerable increase in the share, volume and amount of the Manufacturing Value Added (MVA) and exports of developing countries and countries with economies in transition, with a special focus on LDCs. The *UNIDO Trade Capacity Building Initiative* addresses more specifically the relation between trade, sustainable development and poverty alleviation. Consequently, UNIDO services aim to build human and institutional capacity to facilitate the participation of developing countries in the multilateral trading system. UNIDO's strategy paper, entitled "*Enabling Developing Countries to Participate in International Trade - Strengthening the Supply Capacity*" was released in March 2002.

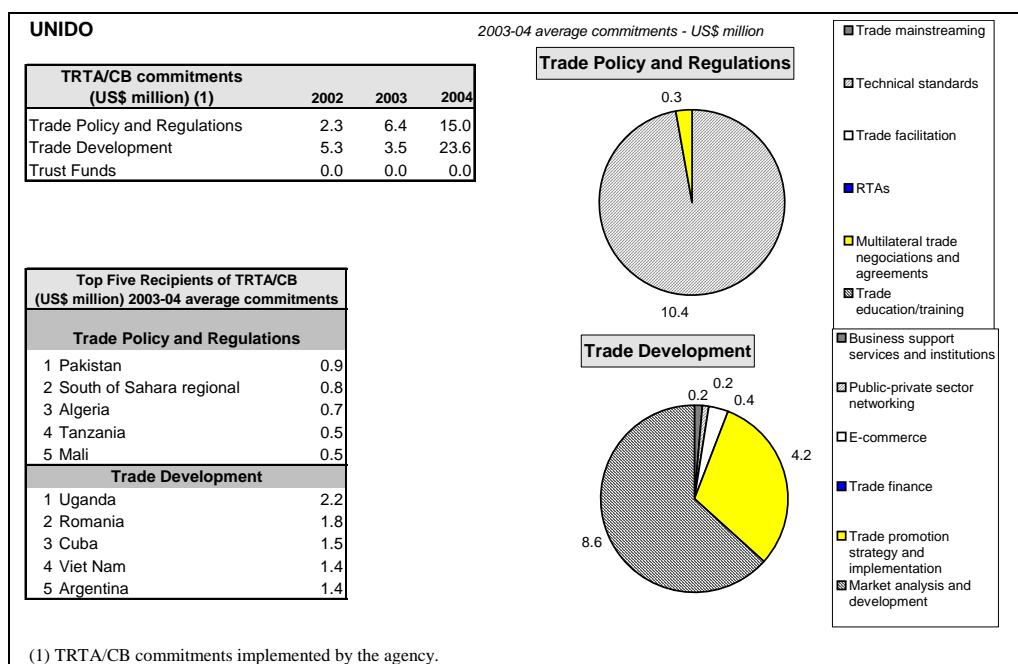
Priority areas: The Trade Capacity Building strategy adopted by UNIDO to facilitate trade, foster export capacity and increase access to markets consists of three-pronged coordinated and integrated actions, the 3C Approach:

- (1) *Compete*: Remove supply side constraints and increase the competitiveness of the industrial sector;
- (2) *Conform*: Enable products to conform with market requirements (standards, technical regulations and conformity assessment procedures) and overcome barriers to trade;
- (3) *Connect*: Enable producers to be connected with the market and foster integration in the multilateral trading system.

In removing supply side constraints, the focus is on the manufacture of products with high-export potential, especially in *agribusiness*, and the provision of assistance related to **enterprise upgrading, innovation, technology acquisition, increasing capacity to meet international standards**, technical requirements and environmental regulations. Through the introduction of supporting legislation, policies and **institutional reform**, UNIDO supports the creation of an enabling environment for foreign direct investment.

In ensuring conformity and international recognition of local certificates and laboratory analysis and tests, UNIDO focus is on **upgrading standards, metrology, testing and quality infrastructure and services**. UNIDO also supports developing countries to overcome barriers to trade and to participate in international standards setting. Furthermore, UNIDO assists the establishment of accreditation/certification systems, national measurement institutions to ensure harmonisation with international metrology systems, and of market surveillance institutions.

In ensuring connectivity with markets, export promotion support is provided in co-operation with other specialised organisations. Specifically, UNIDO assists in **value chain integration** and in strengthening those institutions that bear directly on developing countries' export performance, such as small business export consortia and export-oriented **clusters and networking**. UNIDO signed in Cancun in 2003 an MoU with the WTO outlining a joint programme based on UNIDO's trade capacity building's approach.



World Bank

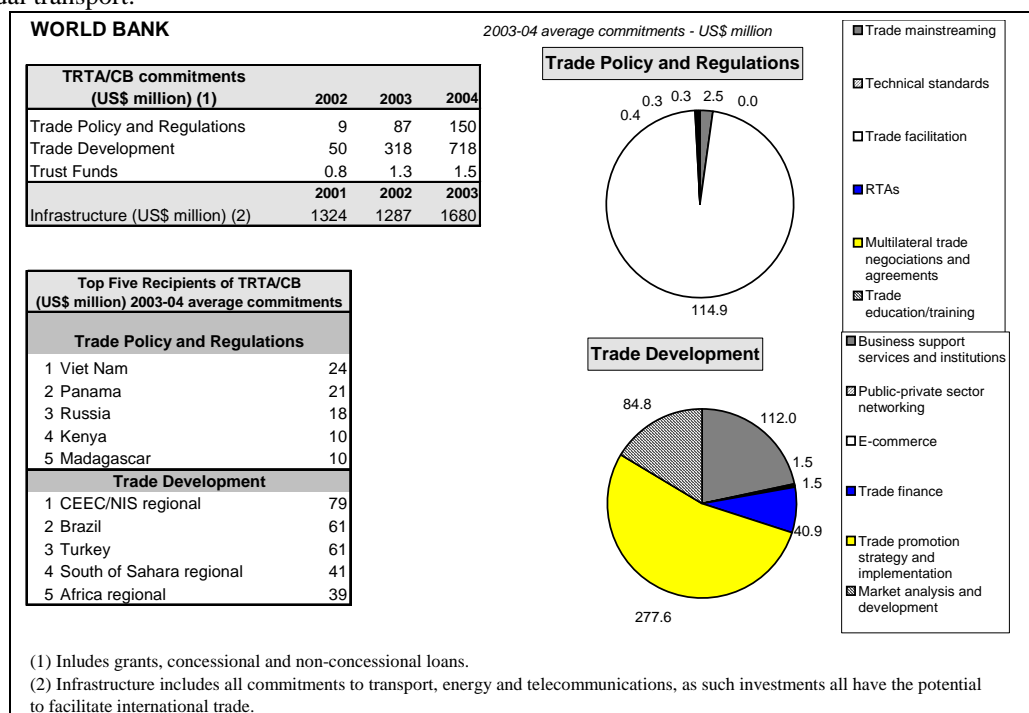
Strategy and objectives: The World Bank's work on trade aims, at the global level, for advocacy of changes in the world trading system to make it more supportive of development, especially in LDCs. *At the country level*, the World Bank Group's Trade Capacity Building (TCB) Programme aims to build capacity in client countries to:

- (1) Formulate and implement sound trade policy to enhance growth and reduce poverty
- (2) Manage the adjustment costs of trade reform and external trade shocks
- (3) Participate effectively in international negotiations
- (4) Develop appropriate regional trade policies

The World Bank's trade agenda and work programme, "*Leveraging Trade for Development: The World Bank Agenda*" was released in September 2003. In addition to these TRTA/CB activities, the Bank invests heavily in trade-related infrastructure (see also Operations, lending and capacity building below).

Priority areas: The World Bank increased the focus on trade capacity building in the following activities: (1) training and research support, (2) Operations, including analytical and advisory activities, and lending and capacity building; and (3) advocacy (at global level). The Bank indeed expanded its learning programmes, among others through the *World Bank Institute Trade Programme* which aims to build client countries' research capacity, build deeper understanding of trade policy choices and foster and facilitate debate. It also increased TRTA/CB in Operations at country and global level, including in analytical and advisory activities (AAA), e.g. by carrying out the IF Diagnostic Trade Integration Studies (DTIS).²⁴ The Bank's Operations also enhanced its lending and technical assistance portfolio.

Most projects with trade capacity building components address **export development, trade facilitation and standards** (TBT/SPS). The Bank has recently launched a *Trade Facilitation Initiative* to further expand the scope of its trade facilitation efforts to a wider number of countries.²⁵ The Initiative covers Operations (analytical and advisory activities, lending and capacity building) and learning activities in 4 areas: customs, ports, transit and multimodal transport.



²⁴ In FY05, 44 trade components of country-level studies and 11 regional studies were completed. *Development Committee, Information Note: Aid for Trade: Competitiveness and Adjustment* (April 2005).

²⁵ Other outputs include the Customs Modernisation Handbook, the Trade and Transport Facilitation Audits (diagnosis of procedural or operational constraints) as well as Global Logistics Indicators (which help measure progress in key areas such as customs and port performance).

World Customs Organization (WCO)

Strategy and objectives: The World Customs Organization's mission is to promote effectiveness and efficiency of customs administrations through (i) developing and maintaining *standards* for customs procedures; (ii) promoting international co-operation to *share information and best practices*; and (iii) providing *technical assistance* to implement trade and customs standards and capacity building. In this context, the WCO has developed and promoted numerous standards (the most prominent one being the revised Kyoto Convention) to assist customs administrations in trade facilitation and ensuring trade security. Improving the efficiency and effectiveness of customs administrations can ultimately contribute to national development objectives such as revenue collection, national security and, ultimately, poverty reduction.

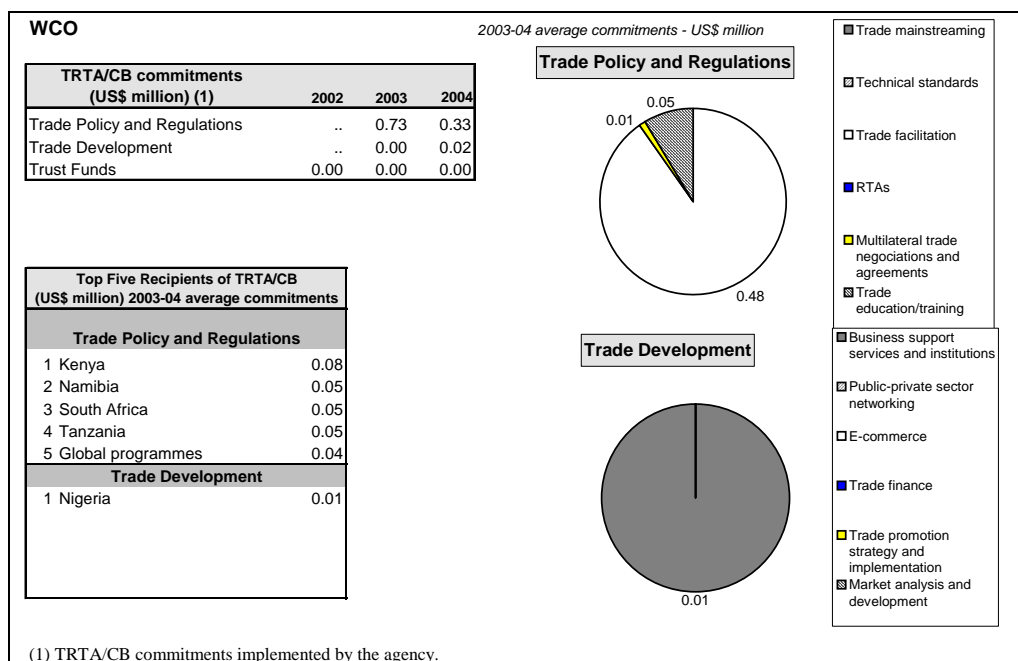
In June 2003, the WCO developed and adopted the *Customs Capacity Building Strategy*, which was designed to provide a pragmatic response to identifying and addressing capacity building needs of customs administrations in the developing world, including support for developing and adopting global standards for customs procedures. In order to assist customs administrations and practitioners active in the area of capacity building to implement the Strategy, the WCO subsequently developed its *Customs Capacity Building Diagnostic Framework* to identify the real needs of capacity building and establish country-specific programmes. This Framework includes:

- (1) a *Readiness Assessment Tool* (checks whether essential prerequisites for effective TRTA/CB are present), and
- (2) specific guidelines on how to design, implement, monitor and evaluate TCB activities in the area of customs, and encourage the participation of all stakeholders.

The WCO has also developed a standard methodology for the collection and analysis of customs' operational performance, the *Time Release Study* (the World Bank developed a software that will further facilitate its implementation). The WCO has also collaborated with the World Bank in producing a *Customs Modernization Handbook*, which is complementary to the Strategy and the Diagnostic Framework.

Priority areas: The Customs Capacity Building Strategy emphasises the importance of a **regional approach** to capacity building, which can facilitate synergies between the activities of regional players, and bring their initiatives in line with global standards.

In response, the WCO established its *Regional Office for Capacity Building for the Asia-Pacific Region* (ROCB) in Bangkok, Thailand in September 2004. The objective of the ROCB is to promote its WCO's Customs Capacity Building Strategy at regional level through assisting member customs administrations with their capacity building programmes in close co-operation with the WCO Secretariat in Brussels. The WCO has also opened several Regional Training Centres – two in China (Shanghai and Hong Kong), one in India and one in Japan – which are managed by the ROCB.



World Intellectual Property Organization (WIPO)

Strategy and objectives: In its *Medium-term Plan for WIPO Programme Activities for 2006-2009*, the WIPO, a specialised UN agency, has reaffirmed its role in the area of intellectual property (IP) within the framework of the Millennium Development Goals.

The Plan highlights the importance of reinforcing WIPO's co-operation efforts with governments and the private sector, in order to enhance technical assistance in favour of developing and transition countries, and more particularly LDCs. Such technical assistance includes the necessary support in capacity building and the development of appropriate infrastructure, as well as the strengthening of human resources.

WIPO programme activities are grouped into five strategic theme areas, each with specific deliverables. One of these areas is dedicated to "*Co-operation for Development*" which aims to enable developing countries and LDCs to establish or modernise intellectual property systems, consistent with national objectives and requirements, and to exploit them for their social, economic and cultural development.

Priority areas: WIPO's technical assistance and capacity building activities focus on:

- Strengthening of IP's role in the development of national policy (supported with analyses of the economic impact of IP);
- strengthening of national human resource capabilities, including training of IP professionals (e.g. training of trainers);
- deployment of online tools for small IP offices via the *WIPOnet*
- further development of customised regional/national action plans; and
- continuing assistance in IP office automation.

The *WIPO Worldwide Academy*, a training/knowledge centre, aims to develop the human capital of developing countries, in order to enable them to capitalise on the full benefits of the international IP systems. WIPO has set up modern and tailor-made training programmes for policy advisors, development managers, and other target groups.

As part of its Digital Agenda, a work programme on electronic commerce, the WIPO aims to integrate developing countries into the international digital environment, including through the use of the *WIPOnet* – a global intellectual property information network – and the electronic delivery of information and services. To further facilitate the electronic integration of developing countries, IP offices in developing countries will be provided with Internet connectivity and basic equipment.

Other activities include support for the modernisation and expansion of national IP offices; support for creating and strengthening collective management systems for copyright and related rights on a national and regional scale; as well as assisting members of the WTO to bring their IP legislation and administration into line with the provisions of the Agreement on TRIPS.

WIPO has recently launched a new programme which supports governments in designing policies and strategies that meet the intellectual property needs of SMEs.

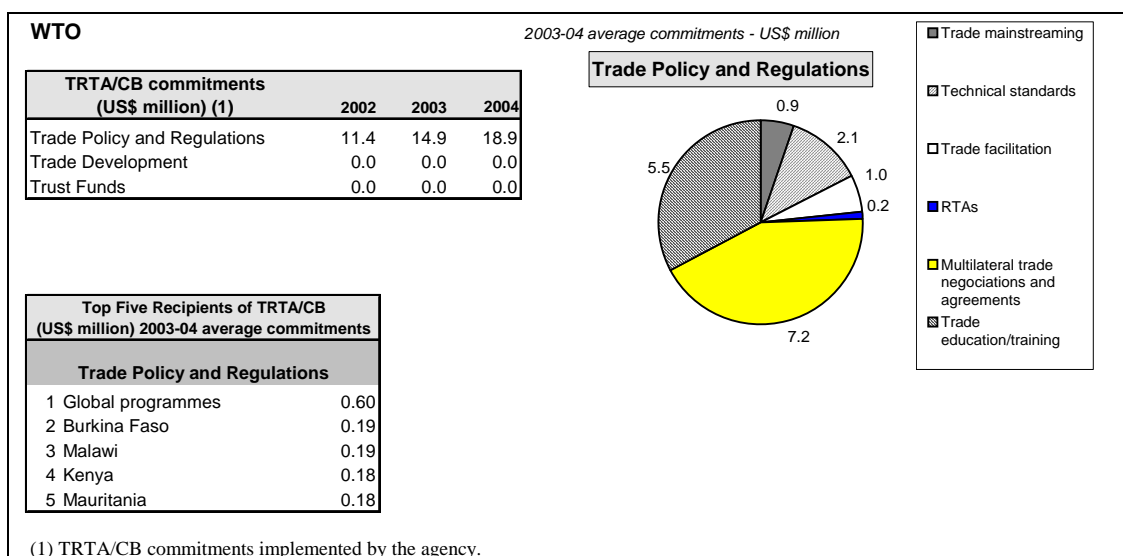
World Trade Organization (WTO)

Strategy and objectives: WTO Technical Co-operation and Training activities' key objectives are to enhance institutional and human capacity in beneficiary countries to: (1) address trade policy issues and concerns, (2) mainstream trade into national plans for economic development and strategies for poverty reduction, (3) facilitate a fuller participation of beneficiaries in the multilateral trading system (MTS), (4) adjust to WTO rules and disciplines and implement obligations, and (5) exercise the rights of membership.

The WTO Secretariat publishes annual Technical Assistance and Training Plans, which identify the products that can be used in the delivery of technical assistance and training and list the Geneva-based or regional activities to be undertaken for a given year. These activities are funded by the Regular Budget or the Doha Development Agenda Global Trust Fund and are often carried out in partnership with other agencies, bilateral donors and TA providers. The Plan is designed in such a way that all eligible Members and Observers can systematically benefit. The *2006 Technical Assistance and Training Plan* can be found on the WTO website. The 2006 Plan emphasises the importance of strengthening local capacity in beneficiary countries and ownership, by building partnerships with other providers of technical assistance. In addition, it highlights the importance of improving the relevance and sustainability of WTO TA, e.g. through the delivery of more specialised, demand-driven and longer activities.

Priority areas: In light of their pressing trade development needs, priority is given to least-developed countries (LDCs). The WTO TRTA/CB focuses on:

- (1) **Training:** Trade Policy Courses are held in Geneva and in the regions. Participants in these Courses, which have a duration of 12 weeks, are exposed to all WTO-related issues and in addition to acquiring a detailed knowledge of the rules and procedures of the WTO, they develop practical skills as well as an extensive network of contacts.
- (2) **Technical assistance (TA):** General and specialised/advanced TA: workshops, seminars, technical missions, on specific Agreements or national issues, held in a country or region; courses on Trade Negotiations Skills, outreach activities for parliamentarians and civil society, support for conducting needs assessment (from 2005)
- (3) **Academic support:** Support to trade-related academic institutions and networks.
- (4) **Support TA facilities:** Geneva Weeks; trainee programmes and internships; WTO Reference Centres; trade policy clinics; distance learning.



VI. Donor Profiles - Regional Agencies and Development Banks

Asian Development Bank (ADB)

Strategy and objectives: ADB has been playing a key role in assisting its developing member countries (DMCs) to open their economies and integrate effectively into the global economy through multilateral, regional and sub-regional co-operation initiatives.

The Bank's assistance in the trade area is part of its broader country-specific programme of assistance for poverty reduction in Asia and the Pacific.²⁶ With its country knowledge and a combination of lending and technical assistance, ADB has unique strength in the trade area, particularly in trade-related aspects of policy and institution reforms.

The Bank provides a comprehensive programme of assistance in the area of trade, including support for the following:

- Policy and institution reforms;
- Trade financing (loans);
- Trade facilitation (e.g., modernisation of the customs administration);
- Research and capacity building activities;
- Institutional support for the implementation of various WTO Agreements;
- Increased participation in international trade negotiations.

Priority areas: Following the WTO Doha Declaration, ADB has increased its TRTA significantly in an effort to assist its developing member countries to **participate in the new trade round** (by supporting WTO accession and participation in negotiations) and address various difficulties arising from the implementation of the **WTO Agreements**. The Bank also helps to raise awareness of the importance of trade as an integral part of development agendas in the region. Hence, another important area of capacity building concerns the **regional co-operation and trade agreement initiatives**, which are promoted in ways that complement the multilateral trading system and serve the long-term development interests of developing countries.²⁷ ADB has recognised the importance of capacity development and will provide strategic support to enhance a DMC's capacities to formulate and implement policies, reforms, and investments needed for poverty reduction.

²⁶ See "Enhancing the Fight Against Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank" (Dec. 2004). The chapter on regional co-operation is of particular relevance.

²⁷ The Bank's implementation record of TRTA/CB activities (including planned activities) – all funded by ADB's Japan Special Fund (JSF), include: **In 2002:** a High Level Meeting on the WTO Trading System and an Intensive Course on Trade Facilitation. **In 2003:** an Intensive Course on WTO Customs Valuation Agreement and an Intensive Course on WTO TRIPs Agreement. **In 2004:** an Intensive Course on Anti-Dumping; a High Level Meeting on Key Doha Round Issues; and an Intensive Course on Rules of Origin. **In 2005:** an Intensive Course on Investment; and a High Level Meeting on Key Doha Round Issues. **In 2006:** two intensive courses on accession and on dispute settlement mechanisms are planned.

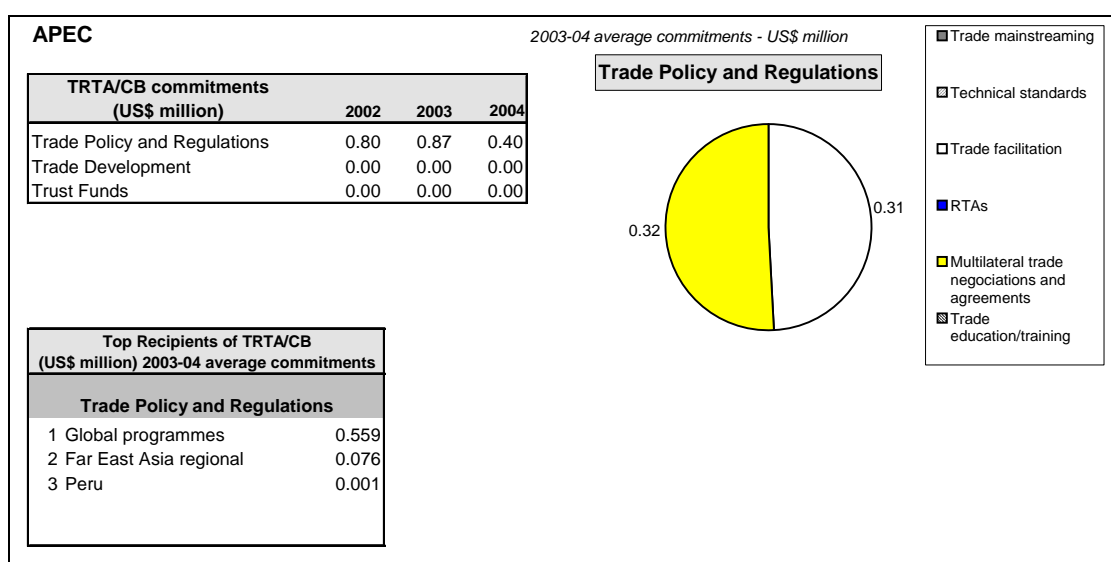
Asia-Pacific Economic Co-operation (APEC)

Strategy and objectives: APEC operates as a cooperative, multilateral economic and trade forum. It is committed to reducing trade barriers and increasing investments without requiring its member economies to enter into legally binding obligations. APEC works in three broad areas – trade and investment liberalisation, business facilitation and economic and technical co-operation – to meet its overarching goal of free and open trade and investment in the Asia-Pacific region by 2010 for developed economies and 2020 for developing economies. Recognising that this goal will require increasing the capacity and skills of its developing members, APEC devotes substantial attention to capacity building in a range of areas. This work is collectively referred to as economic and technical co-operation, or *ECOTECH*. In 2003, APEC Ministers agreed to focus ECOTECH efforts on four priority issues, among which “Integration into the Global Economy” which aims to:

- Improve the capacity of member economies to implement trade agreements and other measures that facilitate trade (including customs reforms), and participate actively in international trade negotiations;
- Strengthen SMEs in order to facilitate access to APEC members’ markets and increase the capacity to compete in the global economy (includes human capacity building);
- Develop member economies’ trade-related institutional and legal frameworks.

Priority areas: APEC has been working on **trade policy-related capacity building** since 1999, when it created the *Implementation of WTO Obligations Group* within the Committee on Trade and Investment (CTI). In 2001, after adopting a demand-driven *Strategic Plan on Capacity Building of WTO Obligations* (2000), this group was re-named the *WTO Capacity Building Group (WCBG)*. The Plan includes projects in training and exchanges of information on the implementation of the Uruguay Round Agreements, and guides member economies to prepare for future WTO negotiations, by providing information on a broad range of WTO-related issues.

APEC has also been involved in leading work on **trade facilitation capacity building** (through the *2002 Trade Facilitation Action Plan*), and on increasing the participation of SMEs and micro-enterprises in international trade, mainly through the *Integrated Plan of Action for the Development of SMEs (SPAN)*. It has designed numerous projects aimed at enhancing SMEs’ understanding in implementing standards and accreditation, improving the skills of managers, entrepreneurs and educators/trainers in key sectors and increasing access to market information and business development services, in order to raise the quality, productivity and export capacity of SMEs. A number of projects are also targeted at increasing business linkages and networking, enhancing access to financial and capital markets and enabling SMEs to capitalise on e-commerce.



European Bank for Reconstruction and Development (EBRD)

Strategy and objectives: The EBRD views international trade as a key part of fostering the transition towards open market-oriented economies and for promoting private and entrepreneurial initiative in the Central and Eastern European countries (CEECs) and the Commonwealth of Independent States (CIS).

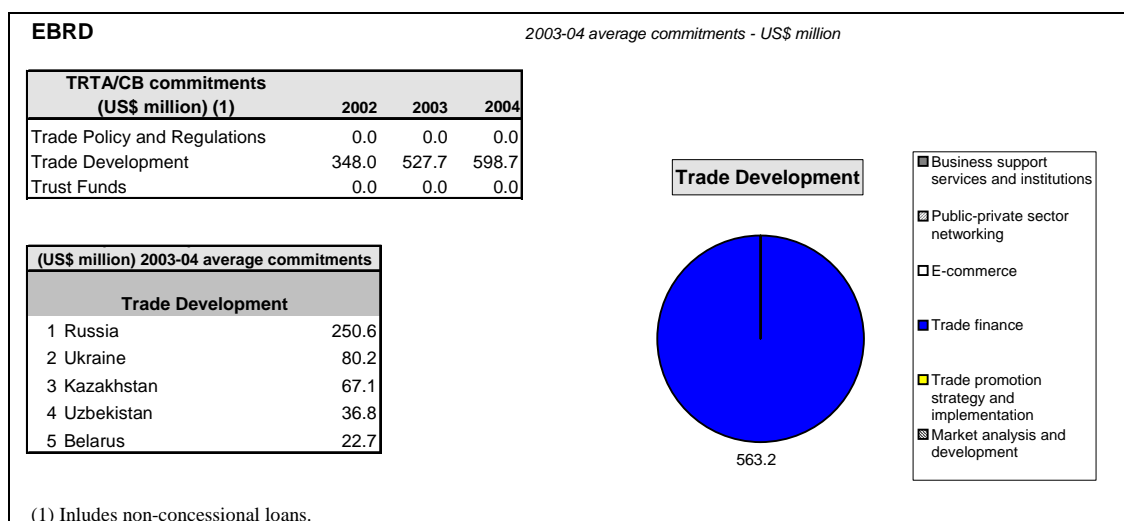
EBRD's TRTA/CB is primarily undertaken in the frame of its *Regional Trade Facilitation Programme* (TFP) which is a network of banks that uses EBRD guarantees to reduce risk in international trade. The objectives of this Programme are to promote foreign trade to, from and within CEECs and CIS, and to provide liquidity to the trade system.

Priority areas: Most TRTA/CB activities consist of granting greater **access to trade finance** (by providing guarantees to international commercial banks) and delivering **training in trade financing**. The TFP provides credit facilities in the form of EBRD guarantees issued in favour of international (and regional) commercial banks, covering the political and commercial payment risk of transactions undertaken by participating local banks (client banks) in the countries where EBRD operates. In this way, the international banks benefit from the EBRD's triple A credit rating. The EBRD also provides direct financing (short-term loans) to selected local banks for trade-related purposes. The TFP guarantees any genuine trade transaction to, from and within the countries of operations. The TFP activities are centred around:

- Institutional building within client banks;
- Demonstrating new ways of financing trade, new products and processes; and
- Developing skills in the region.

Through its TFP, the EBRD facilitates transition to a market economy, helping local banks in the region to obtain access to international finance, strengthen their trade finance experience, introduce transparent banking practices, and enable local staff to gain experience working with Western commercial banks.

Activities are mainly focused on the CEECs and CIS.



United Nations Economic Commission for Africa (UNECA)

Strategy and objectives: UNECA is one of five regional commissions under the administrative direction of the United Nations Economic and Social Council (ECOSOC), and is mandated to support the economic and social development of its 53 member States, foster **regional and sub-regional integration**, and promote international co-operation for Africa.

UNECA deploys several modalities and services to support its member States which include: policy analysis and advocacy; enhancing partnerships; technical assistance; communication and knowledge sharing; and supporting sub-regional activities.

As part of its mandate, UNECA assists members in implementing policies and programmes through technical co-operation. As the agenda of the multilateral trade negotiations has expanded in recent years, most African countries have found their capacities inadequate to deal with the complex issues that have emerged. In 2003, at the request of member States, UNECA undertook several activities aimed at strengthening officials' abilities to more effectively participate in the new multilateral trade arrangements.²⁸

At the 2004 UNECA annual Ministerial conference, the Ministers underscored the importance of successfully concluding the Doha Development Round in order to better integrate Africa into the global trading system, and reached consensus that trade must be mainstreamed into broader national development strategies in order to achieve pro-poor growth.

Priority areas: As part of its Priority Activities 2004-2006, UNECA plans to intensify its activities and programmes toward strengthening the capacity of member States to participate effectively in the global economy, by **promoting the private sector, intra-regional and international trade, and enhancing regional co-operation in Africa**.

In this context, UNECA considers the ongoing WTO negotiations on the Doha Development Agenda and negotiations on Economic Partnership Agreements (EPAs) with EU as two major challenges facing Africa. For 2004-06, its training activities via the *African Trade Policy Centre* (ATPC), established with the strategic partnership of the Canadian government, will target African trade negotiators and officials based in Geneva and national capitals, parliamentarians, and civil society organisations that are expected to make major input into trade issues. UNECA will provide technical assistance to its member States, in response to their requests, for **negotiations within the WTO and Economic Partnership Agreement (EPA) framework** – e.g., technical assistance to the government of Sudan for its accession to the WTO.

The ATPC is designed to provide Africa-specific research, training, knowledge and tools on trade-related issues, such as the accession to the WTO and negotiations on the trade protocols of EPAs; intra-African trade promotion; mainstreaming trade into national development policies and programmes; and the revenue implications of trade liberalisation. Through ATPC, UNECA enhances its capacities in information dissemination and trade-related advisory services and technical support.

Since 2003, UNECA's *Inter-regional Advisory Service* in Geneva has also been providing demand-driven technical assistance to trade negotiators in day-to-day negotiation processes within the WTO, as part of the daily front-line support to the Africa WTO Geneva Group, as well as the most recent findings from informed research, the latest trade developments and their potential implications for Africa.

²⁸ These include the following: (1) In collaboration with the African Union (AU) and other organisations, UNECA organised a second *High-level Brainstorming Meeting of African Trade Negotiators* in Mauritius in June 2003 to agree on a consolidated African position on multilateral trade negotiations, which was subsequently used to inform at the Cancun WTO Ministerial meeting in September 2003. (2) The Commission, AU and the Government of Ghana organised an expert group meeting in November 2003 to undertake a comprehensive evaluation of the implications of the Cancun WTO meeting for African countries; assist them to develop and refine strategies for further negotiations; and identify their immediate research needs in this context. (3) A training workshop on enhancing capacities in agricultural trade negotiations was conducted in Tunisia in April 2004.

United Nations Economic Commission for Latin America and the Caribbean (UNECLAC)

Strategy and objectives: UNECLAC is one of five economic commissions of the United Nations Economic and Social Council (ECOSOC). UNECLAC's TRTA/CB aims to:

- Strengthen the capacity of Latin American and Caribbean governments to define national and regional interests and to put them forward in the various trade negotiating fora (WTO, Free Trade of the Americas Agreement, sub-regional integration schemes);
- Strengthen the process of regional and sub-regional integration;
- Contribute to the formulation of trade policies and regulations convergent with rules and practices of international commerce and in accordance with development needs;
- Establish more coherence between trade policy and environmental policy to enhance sustainable development.

Priority areas: Under its general programme of work in the field of economic development, UNECLAC carries out a *sub-programme on International Trade & Integration* that looks at the linkages with the global economy, integration and regional co-operation. Activities of this sub-programme are organised around four areas of work:

- International Trade,
- Trade Policy and Trade Negotiations,
- Regional Integration and
- Inter-regional Relations.

In all of them, UNECLAC addresses analytical aspects, empirical *studies* and policy recommendations in order to cooperate with the governments of the region in the improvement of the quality of their participation in the international flow of goods, services, labour, technology and capital.

In 2002-2003, the sub-programme focused on four strategic topics: (1) **analysis of global trends** in the world economy and in Latin America and the Caribbean trade policies; (2) the rules governing international trade, integration trends and **national trade policies**; (3) issues relating to specific markets of interest to the **region**; and (4) development finance.

Under another sub-programme that focuses more on the production side, UNECLAC carries out activities that support countries of the region in productive, technological and business development in the industrial and agricultural sectors.

UNECLAC's activities are targeted at **Latin America and the Caribbean**.

United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)

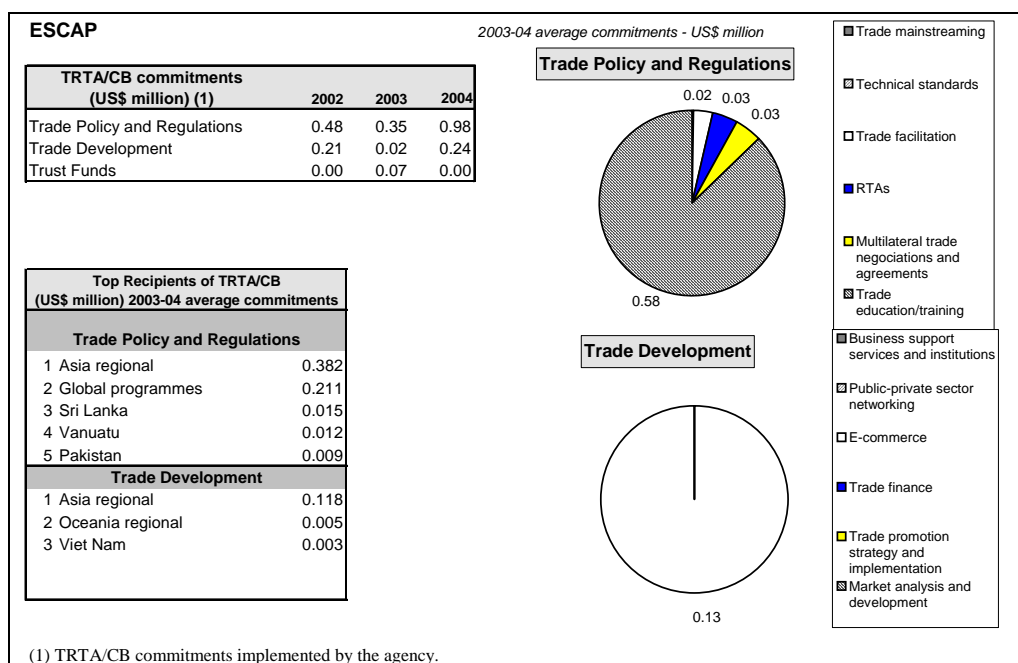
Strategy and objectives: The main objective of UNESCAP's trade and investment programme is to enhance the capacity of members and associate members to integrate into the world economy and to enable them to participate effectively in the multilateral and regional trading systems via enhanced regional co-operation and technical co-operation. The Trade and Investment Division, which handles TRTA/CB activities, primarily assists its members in their efforts to:

- Understand WTO Agreements and their implications, including the Doha Development Agenda;
- Facilitate trade and investment flows, including trade finance and e-commerce;
- Promote regional trade agreements in conformity with the multilateral trading system;
- Understand the economics of trade policy;
- Negotiate accession to WTO, especially for LDCs and economies in transition;
- Formulate more effective policies and strategies for foreign direct investment promotion and facilitation;
- Develop SMEs;
- Access trade and investment related information.

UNESCAP activities comprise training; research and policy analysis and regional policy dialogue. The Secretariat has also set up, with funding support from IDRC, the *Asia-Pacific Research and Training Network on Trade* (ARTNET), which is open to all institutions across the region involved in trade policy and trade facilitation issues.

Priority areas: Since the Doha Ministerial Conference, UNESCAP has strengthened its efforts on TRTA/CB activities. It offers training programmes on WTO Agreements and negotiations through the joint "WTO/UNESCAP Technical Assistance Programme" – its flagship training programme since 1999 to build up a **regional body of expertise on WTO issues**. The programme aims to improve national decision-making and participation in regional and multilateral trade and investment agreements and mechanisms. It seeks to respond to these concerns by organising training courses and specialised seminars for government officials, and to increase and deepen understanding on WTO issues of interest to the region. The programme has achieved good record in terms of cost effectiveness and evaluation by all shareholders.

UNESCAP also continues to serve as the Secretariat of the region's oldest preferential trade agreement, the *Bangkok Agreement*, which aims at promoting intra-regional trade through exchange of mutually agreed concessions by member countries. **Trade facilitation**, both in terms of operational aspects - such as the promotion of the simplification, harmonization, standardization of trade procedures to reduce the cost and the time of the transactions - as well as the WTO negotiating aspects, is also a priority area.



Annex 1. Definitions and Methodology

1. Background

At the Doha Ministerial Conference, Ministers recognised that technical co-operation and capacity building are core elements of the development dimension of the multilateral trading system. In line with this recognition and with a view to smooth the process of implementation of the variety of TRTA and CB commitments incorporated in the Doha Ministerial Declaration, Ministers also acknowledged the critical importance of coherence and co-ordination at three different levels:

- at the national level in beneficiary countries
 - co-ordination among all actors through institution building, and
 - coherence through mainstreaming trade aspects into global development plans;
- at the international level
 - co-ordination among bilateral donors, mainly through mechanisms established between the WTO and the Development Assistance Committee of the OECD; and
 - rationalisation of the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries and the Joint Integrated Technical Assistance Programme; and
- at the inter-agency level
 - co-ordination among multilateral institutions and establishment of strategic alliances with regional institutions, including regional development banks, UN regional economic commissions, and regional integration secretariats.

The critical significance of the ministerial co-ordination mandate and the overall magnitude of the task at hand clearly showed that no single multilateral or regional agency could undertake such a task on its own. Resources had to be put together in order to generate the synergies required to carry out the work and be in a position to provide a useful and efficient tool to the international community.

With these objectives in mind, the WTO and the OECD Secretariats, along with a number of interested delegations from TRTA/CB providers, joined their efforts to create the Doha Development Agenda Trade Capacity Building Database (TCBDB).

The TCBDB was established with the purpose of providing information on the delivery of trade-related technical assistance and capacity building projects and programmes. It includes national as well as regional activities committed from 2001 to mid-2005, and planned activities for end-2005 and 2006. The TCBDB includes data received from bilateral donors and multilateral/regional agencies that replied to the annual request for information sent by the WTO and the OECD. A search of the database can be performed by beneficiary country or region, donor country or agency, trade category or key word, and a tool has been provided to enable statistical analysis.

2. Coverage

The TCBDB comprises detailed information on almost 15 000 activities committed from 2001 to mid-2005, and planned for end-2005 and 2006. The coverage of commitments made in 2005 and planned for 2005 and 2006 varies from one donor to another²⁹. In consequence, for the sake of

²⁹ Some reported most or part of the activities committed in and planned for 2005 and 2006, whereas others could not yet provide any information for 2005 or 2006.

comparability, this report only analyses the commitments made from 2001 to 2004 - for which reporting is mostly complete³⁰.

The data reflect trade-related aid activities reported by 22 of the 23 DAC Members, 18 multilateral organisations and 5 non-DAC bilateral donors³¹. Data for the multilateral organisations include both activities funded through their regular budgets and those implemented by them with bilateral funding (e.g. trust funds). To avoid double-counting, bilateral donors' contributions to multilateral TRTA/CB trust funds (e.g. JITAP, Integrated Framework and DDAGTF) are *not* included in the analysis. Instead the individual activities financed through these trust funds are included. In consequence, a few countries/agencies that did not respond to the data request nevertheless appear as funding countries/agencies in the database. In this report, they are referred to as "other bilateral" or "other multilateral" donors.

The data included in the TCBDB can be considered as representative, as almost all the main TRTA/CB providers report to the database. Since its creation in November 2002, some donors have improved the reporting of their activities, others that did not respond to the first data collection are now participating and some changed their reporting methodology (in particular to calculate the trade-related share of broader activities). Hence, totals in this joint report may be slightly different than those shown in the previous joint reports.

The analysis is based only on the volume of activities, and not the number of projects. This is because of differences in reporting between donors/agencies: some donors split the individual activities to components with a view of obtaining detailed data on aid allocated to each of the sub-categories. Others classified the whole activity under the most relevant sub-category. Some TRTA/CB providers made a further breakdown of regional activities by splitting amounts between different beneficiary countries, whereas others simply reported "regional" or "global" projects or programmes. As a result, the breakdown of the number of activities by donors, categories, recipient, year, etc., is not fully comparable.

³⁰ A **commitment** is a firm obligation, expressed in writing and backed by the necessary funds, undertaken by an official donor to provide assistance for a specified purpose and under specified financial terms and conditions for the benefit of the recipient country or multilateral organisation. This report includes all grants and concessional loans. Non-concessional loans (e.g. those from EBRD and IBRD) and self-financed activities (i.e. activities financed by a developing country for itself and implemented by a multilateral TA agency) are included in the database, but excluded from this analysis.

³¹ Data were received from the following DAC Members: Australia, Austria, Belgium, Canada, Denmark, the European Commission, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States. No information was received from Luxembourg. Data were received from the following multilateral agencies: APEC, AsDB, EBRD, ESCAP, ESCWA, FAO, IDB, IMF, IsDB, ITC, OECD, UNCTAD, UNDP, UNECE, UNIDO, World Bank, WCO and WTO (see the list of acronyms at the end of this report). Data received from 5 non-DAC bilateral donors: the Czech Republic, Iceland, Korea, Mexico and Thailand.

3. TRTA/CB categories

A. TRADE POLICY AND REGULATIONS

TCBDB CODE	DESCRIPTION	Clarifications / Additional notes on coverage
33111	Trade mainstreaming in PRSPs/ development plans	Awareness raising; strengthening trade policy process; integrating trade in development and poverty reduction strategies.
33112	Technical barriers to trade (TBT)	Improved understanding of WTO rights and obligations regarding the use of technical regulations, standards and conformity assessment procedures.
33113	Sanitary and phytosanitary measures (SPS)	Assistance in food safety, animal and plant health and protection measures coupled with promoting understanding of the rights and obligations contained in the SPS Agreement.
33121	Trade facilitation procedures	Simplification and harmonisation of international trade procedures (e.g. customs or licensing procedures, transport formalities, payments, insurance); support to customs departments.
33122	Customs valuation	Determination of the customs value of imported goods; elimination of arbitrary or fictitious customs values.
33123	Tariff reforms	Development of simple, transparent and low uniform tariff regimes that minimize discrimination between production for domestic or export markets, and between purchases of domestic and foreign goods
33130	Regional Trade Agreements (RTAs)	Support to regional trade arrangements (e.g. SADC, ASEAN, FTAA, ACP/EU); elaboration of rules of origin and introduction of special and differential treatment in RTAs.
33141	Accession	Identification of changes to laws, regulations and procedures necessary to complete negotiations on the terms of WTO membership; WTO awareness.
33142	Dispute settlement	Improved understanding of WTO rights and obligations; access to legal advisory services.
33143	Trade-related intellectual property rights (TRIPS)	Negotiations, and preparation of laws and regulations, on the protection and enforcement of copyright, trademarks, patents, industrial design, trade secrets; prevention of their abuse; strengthening of intellectual property offices.
33144	Agriculture	Implementation of the Agreement on Agriculture. Negotiations on liberalisation in agricultural markets; impact analysis.
33145	Services	Implementation of the Agreements on GATS. Negotiations on international trade in services; identification of markets; inventory of issues affecting trade in services.
33146	Tariff negotiations – non-agricultural market access	Implementation of the Agreement on contingent trade remedies. Negotiations on the reduction or elimination of tariffs, tariff peaks and tariff escalation on non-agricultural products.
33147	Rules	Negotiations and preparation of laws and regulations on anti-dumping, subsidies, countervailing measures and safeguards; clarification and improvement of disciplines on unfair trade practices; support to investigating authorities.
33148	Training in trade negotiation techniques	Specialised and customised programmes to train trade negotiators.
33151	Trade and environment	Capacity building on trade and environment, for example by increasing national policy coherence between trade and environment agencies.
33152	Trade and competition	Support for progressive reinforcement of competition institutions, strengthening antitrust laws and eliminating local monopolies.
33153	Trade and investment	Implications of closer multilateral co-operation in the area of trade and investment for development.
33154	Transparency and government procurement	Identification of negotiating options for transparency in government procurement; preparation of draft legislation; strengthening of government procurement agencies.
33181	Trade education/training	Human resources development in trade not included under any of the above codes. Includes university programmes in trade.

B. TRADE DEVELOPMENT

TCBDB CODE	DESCRIPTION		Clarifications / Additional notes on coverage
25011	Business support services and institutions		Support to trade and business associations, chambers of commerce; legal and regulatory reform aimed at improving business and investment climate; private sector institution capacity building and advice; trade information (sector unspecified).
25012	Public-private sector networking		Tools and mechanisms for improved dialogue and resource sharing between public and private sector (and within the private sector) at the national, regional and global levels, including trade fairs (sector unspecified).
25013	E-commerce		Promotion of information communication technologies for enhancing trade; training and provision of software and hardware to improve e-commerce capability.
240xx	Banking and finance	Trade finance	Access to trade finance; reform of financial systems, banking and securities markets to facilitate trade; laws and regulations that protect and promote trade-related investment.
311xx 312xx 313xx 321xx 322xx 33210 33300 33400	Agriculture Forestry Fishing Industry Mining Tourism Services Multisector / general	Trade promotion strategy and implementation	Development of a national sector-level trade strategy; workforce development in export industries; implementation of sector-specific strategies in agriculture, forestry, fishing, industry, mining, tourism, and services including "fair trade programmes".
311xx 312xx 313xx 321xx 322xx 33210 33300 33400	Agriculture Forestry Fishing Industry Mining Tourism Services Multisector / general	Market analysis and development	Access to market information; advice on standards, packaging, quality control, marketing and distribution channels in agriculture, forestry, fishing, industry, mining, tourism and services.

The Creditor Reporting System (CRS) uses 5-digit codes for most TRTA/CB categories. For trade finance, trade promotion strategy and implementation, and market analysis and development the first three digits refer to the main sectors (240 banking and financial services; 311 agriculture, 312 forestry, 313 fishing, 321 industry, 322 mineral resources and mining, 332 tourism and 333 services). The 'xx' refer to a range of more detailed codes for each activity (e.g. 31162 industrial/export crops, 31195 livestock/veterinary services). The detailed CRS codes and definitions used for each activity can be found at www.oecd.org/dac/stats/crs.

4. List of Abbreviations

ACP	African, Caribbean and Pacific countries
ACWL	Advisory Centre on WTO Law
AITIC	Agency for International Trade Information and Cooperation
APEC	Asia-Pacific Economic Co-operation
AsDB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
CRS	Creditor Reporting System of the OECD
DAC	OECD Development Assistance Committee
DDAGTF	WTO Doha Development Agenda Global Trust Fund
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESCWA	United Nations Economic and Social Commission for West Asia
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
FTAA	Free Trade Area of the Americas
GATT	General Agreement on Tariffs and Trade
IBRD	International Bank for Reconstruction and Development (World Bank)
IDA	International Development Association (World Bank)
IDB	Inter-American Development Bank
IF	Integrated Framework on Trade-Related Technical Assistance for Least-Developed Countries
ILO	International Labour Organisation
IMF	International Monetary Fund
IsDB	Islamic Development Bank
ITC	International Trade Centre UNCTAD/WTO
JITAP	Joint Integrated Technical Assistance Programme to Selected Least Developed and other African Countries
MDGs	Millennium Development Goals
MFA	Multifibre Arrangement
NGOs	Non-Governmental Organisations
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OIE	World Organisation for Animal Health
PRSP	Poverty Reduction Strategy Papers
RTAs	Regional Trade Agreements
SADC	Southern African Development Community
SME	Small and Medium Sized Enterprises
SPS	Sanitary and Phytosanitary measures
TBT	Technical Barriers to Trade
TCBDB	Trade Capacity Building Database
TRTA/CB	Trade Related Technical Assistance and Capacity Building
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNECE	United Nations Economic Commission for Europe
UNECLAC	United Nations Economic Commission for Latin America and the Caribbean
UNIDO	United Nations Industrial Development Organisation
USAID	United States Agency for International Development
WCO	World Customs Organisation
WIPO	World Intellectual Property Organisation
WTO	World Trade Organization

5. Income Groups ³²:

- **LDCs**: least-developed countries - group of 50 countries established by the United Nations. To be classified as an LDC, countries must fall below thresholds established for income, economic diversification and social development.
- **OLICs**: Other Low Income Countries, include all non-LDC with per capita GNI below US\$745 in 2001 (World Bank Atlas basis).
- **LMICs**: Lower Middle Income Countries, include all countries with per capita GNI between US\$746 and US\$2975 in 2001.
- **UMICs**: Upper Middle Income Countries, include all countries with per capita GNI between US\$2976 and US\$9205 in 2001.
- **HICs**: High Income Countries, include developing countries with per capita GNI above US\$9206 in 2001.
- **CEECs/NIS (part II)**: Central and Eastern European Countries / New Independent States (of the former Soviet Union) – excluding those considered as developing countries.
- **MADCTs**: More Advanced Developing Countries and Territories.

In Charts 2 and 4 of this report, “European countries in transition” include CEECs/NIS part II and “High income developing countries” include UMICs, HICs and MADCTs.

³² Analysis in this report is based on income groups as at 1st January 2003.

See www.oecd.org/dac/stats/daclist for the detailed list of income groups and all related information.

Joint WTO/OECD Trade Capacity Building Database at a Glance

- The joint WTO/OECD Trade Capacity Building Database (TCBDB) was launched in November 2002 to track the commitments made in the Doha Declaration. The database is updated annually and an annual joint WTO/OECD report is drafted based on data reported to the database.
- The database is the result of an intensive effort by the WTO, the OECD and a group of donors to define categories (which did not exist before) of technical assistance for trade, and a special annual questionnaire which involves coordination within each donor capital among actors working on trade and development.
- The database is built on individual transactions reported by 26 bilateral donors and 19 multilateral agencies. Almost all main providers of trade-related assistance report to the database, so the data can be considered as near complete.
- The database contains detailed information on almost 15000 activities, for which commitments have been reported between 2001 and 2006. Data for 2001 to 2004 are complete, which permits production of aggregate statistics and calculation of breakdowns by category, donor, recipient, income groups, type of flow, etc. Reporters are invited to provide forward information. 26 countries and agencies reported some information for 2005, and 7 their planned commitments for 2006. But, at this point, most countries do not have, or cannot share, detailed forward-looking data on their future aid activities.
- Data are checked by the OECD and WTO. In case of issues with the data, some bilateral work is undertaken with reporters. Prior to their publication, aggregated data for each donor are submitted to reporters for their information.
- The database is free, easy-to-use and accessible online from the WTO website. A statistical tool has been developed in collaboration with the Development Gateway to allow in-depth analysis. The database is being accessed by a growing number of people for detailed analysis. For example in September 2005, there were in average 550 visitors per day, with an average session lasting one hour and a half.