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DEVELOPMENT CO-OPERATION DIRECTORATE
TRADE AND AGRICULTURE DIRECTORATE

**EXTENDING THE AID FOR TRADE MONITORING FRAMEWORK: REPORTING ON OUTCOMES
AND IMPACT**

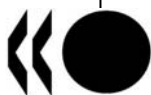
7 June 2010, OECD Conference Centre, Paris

This document is submitted for COMMENT under Item 7 of the Draft Agenda of the joint meeting of the DAC-WP/TC [COM/DCD/TAD/A(2010)4/PROV]. The note proposes to extend the aid for trade monitoring framework with case studies. If members agree with the proposal, the note will be submitted for consultation to the July meeting of the WTO Committee on Trade and Development.

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EXTENDING THE AID FOR TRADE MONITORING FRAMEWORK: REPORTING ON OUTCOMES AND IMPACT

1. Introduction

1. This note provides for discussion some initial thoughts about the next joint OECD/WTO Aid for Trade at a Glance publication and Global Aid for Trade Review. In particular, it focuses on how to report better on the outcomes and impacts of aid for trade projects and programmes. The note proposes to use short case studies (4 – 5 pages) allowing stakeholders to share their experiences. These case studies should put a spotlight on what outcomes and impacts have been achieved at the national, regional and multilateral level and where improvements are needed. This will provide an important compliment to monitoring framework and could inform both the joint OECD/WTO publication and the third Global Aid for Trade Review, which are now being planned for 2011.

2. The use of short case studies seems particularly suited since it will allow the large group of stakeholders involved in the Aid for Trade Initiative (*e.g.* donors, international organizations, partners, the private sector, NGOs, academia) to address a broader range of issues (*e.g.* objectives, challenges and programmes). This will further enhance ownership of the Aid for Trade Initiative which is essential to strengthen its contribution to “(...) *enhance growth prospects and reduce poverty in developing countries, as well as complement multilateral trade reforms and distribute the global benefits more equitably across and within developing countries.*”¹

3. The remainder of this note is structured as follows:

- Section 2 sets out the objective of extending the monitoring framework with case studies.
- Section 3 describes the proposed scope of the case studies.
- Section 4 addresses the methodology.
- Section 5 sets out the time frame.
- Annex I proposes a reporting format.
- Annex II presents a draft case study template.
- Annex III provides a draft outline for the next joint OECD/WTO Aid for Trade at a Glance.

1. WT/AFT/1

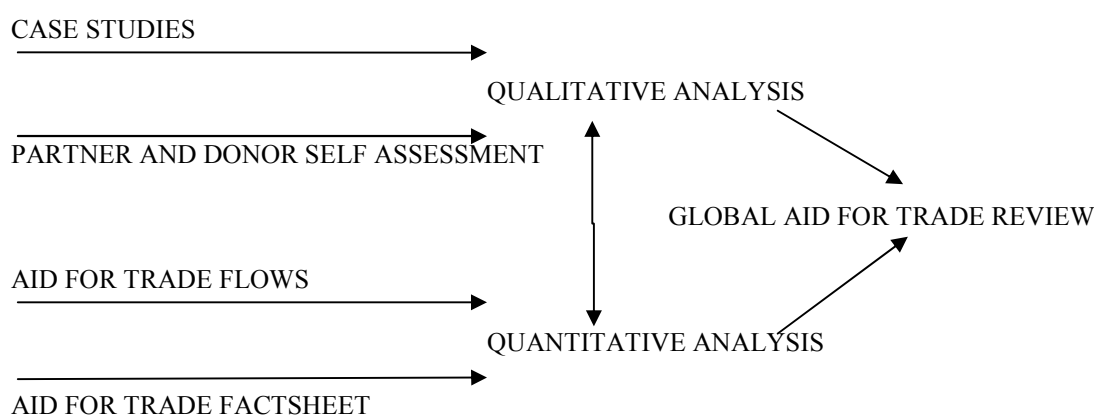
2. Objective

4. The objective of the aid for trade monitoring and evaluation framework is to strengthen mutual accountability through dialogue between the aid and trade community both in head quarters and in the field. Central to this process has been the scrutiny of the conclusions emanating from the three-tiered monitoring framework: (i) tracking of Aid-for-Trade flows through the OECD Creditor Reporting System; (ii) monitoring of mainstreaming and implementation through self-assessments based on a joint OECD-WTO questionnaire; and (iii) establishing the outcomes and impacts of aid for trade projects and programmes at a national level through aid for trade country fact sheets. The conclusions of the monitoring exercise were reported in the joint OECD/WTO publication Aid for Trade at a Glance, which also contained three case studies about cross-border infrastructure projects.

5. It is suggested to expand significantly the number and range of case studies for the next Aid for Trade at a Glance publication and the third Global Aid for Trade Review. The objective of the case studies is to enhance our understanding about what works in aid for trade, what doesn't work, what are the outcomes and impacts and how we can improve them. The case studies should help build an important body of knowledge about principles and practices of aid for trade. It should help generate continued interest in aid for trade and buy-in to the Initiative from across the broad spectrum of the development and trade communities.

6. The case studies would constitute an important extension of the qualitative self-assessment, and would add a fourth tier to the existing three tier monitoring mechanism (see Figure 1). It is envisaged that case studies will probe deeper into aid-for-trade objectives, challenges, processes and activities. The case studies should complement and build upon the donor and partner country self assessments and enable us to put a spotlight on key aid-for-trade themes, as identified by the WTO Aid for Trade Task Force.

Figure 1. Extended aid for trade monitoring framework



7. The case studies would inform the analysis of the outcomes and impacts of aid for trade projects and programmes for the next joint OECD/WTO Aid for Trade at a Glance publication. In addition, the format of the third Global Review could also be extended to allow for the presentation of the various case studies, regrouped by theme. To encourage broad dissemination, the case studies should also be published on the aid for trade website.

3. Scope

8. The Task Force identified a number of objectives, challenges, and trade related development assistance projects and programmes for the Initiative [see annex I]. It is suggested to structure the case studies under these headings and formulate a number of specific research questions around three themes:

- i) Case studies which consider the outcome and impact of assistance in the main aid for trade categories, such as, trade related technical assistance (trade policy and trade development), trade related infrastructure, trade related adjustment and other trade related needs and case studies looking at the cross-cutting development effects where these can be identified (poverty alleviation, employment, gender effects, etc).
- ii) Case studies which look at aid for trade in partner countries, including small and vulnerable economies, and the least developed countries, which would in particular examine national and regional mainstreaming and matching the demand for aid for trade with the supply of concessional financing.
- iii) Case studies which examine the outcomes and impacts of aid for trade on the private sector, or organizations working with the private sector, in partner countries when they were the main beneficiary of assistance.

4. Methodology

9. The case studies would be guided by a standard template [see annex II]. In general, each case study would explain what issue is being addressed, what the objectives, design and implementation issues were, what challenges were encountered, what were the success factors or causes of failure, and what results were achieved (with a focus on intermediate outcomes). The examples would identify lessons learned and conclude with comments on applicability more broadly. Preceding the request and call for case studies, an effort will be made to map and synthesise existing case studies that could inform the debate about the effectiveness of the Aid for Trade Initiative.

10. It is suggested to use a two track approach for:

- WTO members and observers, and
- other stakeholders (e.g. civil society, private sector, NGOs, academia).

11. *WTO members and observers* would be invited to submit case studies. This official request would be presented to them alongside the request by DG WTO Lamy and SG OECD Gurría for the aid for trade self assessment (based on the OECD/WTO questionnaire). Ideally, the case studies should present a balanced picture for the different groups of countries (e.g. low-income, middle-income, land-locked, small and vulnerable economies, etc.) and different donors (e.g. bilateral, multilateral, south-south). Furthermore, the aim would be not just to learn from success, but also to draw the lessons from failure.

12. In addition, *the public* (civil society) would be invited to submit case. The approach could be similar to that which has worked effectively for the WTO Public Forum and the OECD High Level Event on South-South Co-operation. Critical to the success of this second exercise would be the publicity generated for the call for case studies. It is suggested that this should be done jointly at a senior level by OECD and WTO, and endorsed by senior members of the DG's Advisory Group.

13. The emphasis will be very much on trying to engage donor and partner countries in submitting their own case studies. Details on how the case study would be written and by whom would be left open. However, the regional development banks, the UN regional commissions and other members of the WTO Aid for Trade Advisory Group would be approached to work with partner countries to ensure their response.

5. Indicative timeframe and budget

14. An indicative timeframe for the collection of the case studies is set out below:

June - July 2010	Agreement on the proposal and the two track approach (e.g. official and public) to generate case studies
July – September 2010	Mapping and synthesizing existing case studies
September – October 2010	Design of reporting template and organisation of support for the drafting of the case studies
November 2010	<ul style="list-style-type: none">• Official request to WTO Members for submission of case studies• High level launch of call for case studies from civil society
April 2011	Deadline for submission
June-September 2011	Analysis and translation of case studies
October –November 2011	On-line publication of case studies
December 2011	Publication Aid for Trade at a Glance

6. Issues for discussion

1. Do Members agree with the proposed use of short case studies to generate knowledge about the outcomes and impacts of aid for trade?
2. Do Members agree with the proposals, including the indicative time-line?

ANNEX I CASE STUDIES FRAMEWORK

OBJECTIVES

Enable developing countries, particularly LDCs, to use trade more effectively to promote growth, development and poverty reduction and to achieve their development objectives, including the Millennium Development Goals (MDGs).

Help developing countries, particularly LDCs, to build supply-side capacity and trade-related infrastructure in order to facilitate their access to markets and to export more.

Help facilitate, implement and adjust to trade reform and liberalization.

Assist regional integration.

Assist smooth integration into the world trading system.

Assist in the implementation of trade agreements.

CHALLENGES

Mainstreaming trade in national development strategies, such as PRSPs.

Involvement of the private-sector

Absorptive capacity in recipient countries.

Donor response to trade priorities identified at the national and regional levels

Lack of coordination and coherence in donors' trade-related response

Insufficient resources, in particular for regional, sub-regional and cross-border trade-related programmes and projects

Effective aid delivery

Monitoring and evaluation

AID FOR TRADE PROGRAMMES

Category	Sub-category	CRS codes
Trade Policy and Regulations	Trade policy and administrative management	33110
	Trade facilitation	33120
	Regional trade agreements (RTAs)	33130
	Multilateral trade negotiations	33140
	Trade education/training	33181
Economic infrastructure	Transport and storage	21010 to 21081
	Communications	22010 to 22040
	Energy supply and generation	23010 to 23082
Building productive capacities	Business and other services	25010
	Banking and financial services	24010 to 24081
	Agriculture	31110 to 31195
	Forestry	31210 to 31291
	Fishing	31310 to 31391
	Industry	32110 to 32182
	Mineral resources and mining	32210 to 32268
	Tourism	33210
Trade-related adjustment		33150
Other trade related needs		

**ANNEX II
DRAFT CASE STUDY TEMPLATE**

Title

Date of submission:

Region:

Country:

Type: country/agency/thematic/sectoral/project

Author:

Contact Details: address, phone, e-mail

Table of Content

Executive Summary

- 1. Problems/Issues Addressed by the Program**
- 2. Objectives Pursued**
- 3. Design and Implementation**
- 4. Problems Encountered**
- 5. Factors for Success / Failure**
- 6. Results Achieved (focus on intermediate outcomes)**
- 7. Lessons Learned**

Conclusion (applicability to other programs)

Annexes and/or References

ANNEX III DRAFT OUTLINE AID FOR TRADE AT A GLANCE

Chapter One: Context for the findings of the report

The first chapter will put developments in Aid for Trade in the context of the global economic environment. It will review trade-related policy developments, trends in official development assistance and important themes that have emerged since the previous report.

Chapter Two: Aid-for-trade Flows

This chapter will review the global trends in aid-for-trade flows for 2008-2009 against the baseline 2002-05. It will examine the distribution, the main providers and recipients, and the extent to which donors met their Hong Kong pledges and new pledges announced during the 2nd Global for Aid for Trade review.

Chapter Three: Case Studies focused on Partner Countries

A number of case studies will examine different aspects of the initiative and feature, for instance, mainstreaming, coordination and planning, partner country involvement in evaluative activities.

Chapter Four: Case Studies focused on Donor Activities

Case studies will focus on in-country donor activities and processes such as harmonisation and alignment, in country-dialogue, project implementation, how trade-related activities were evaluated, and management for development results.

Chapter Five: Thematic Case Studies

Thematic case studies on binding constraints (including at a regional level) and how aid for trade has addressed them, how aid for trade can help improve policy coherence.

Chapter Six: A Way Forward

The final section will start a discussion on a way forward for the initiative, which will be continued at the Global Review. With many of the Hong Kong pledges now expired, and the emergence of new priorities for development assistance, how can the relevance of aid for trade be strengthened?

Country Factsheets

Building on the first set of factsheets, a refined set of indicators on demand, response and impact will examine the progress partner countries have made on their priorities and the contribution and impact of aid for trade.