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DEVELOPMENT CO-OPERATION DIRECTORATE

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**POLICY DIALOGUE BETWEEN OECD MEMBERS AND NON-MEMBERS
AID FOR TRADE: FROM POLICY TO PRACTICE**

to be held in Doha, Qatar on 6-7 November 2006

This joint letter from the Directors of the Development Co-operation Directorate and the Development Centre invites Members to a Policy Dialogue between OECD and non-OECD Members regarding "Aid for Trade: from Policy to Practice" to be held in Doha, Qatar on 6-7 November 2006. A draft agenda is also attached.

Information on the event will be regularly updated at: www.oecd.org/dac/trade/doha2006

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English - Or. English



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

DIRECTION DE LA COOPERATION POUR LE DEVELOPPEMENT
DEVELOPMENT CO-OPERATION DIRECTORATE

CENTRE DU DEVELOPPEMENT
DEVELOPMENT CENTRE

18 September 2006

Dear Ambassador,
Dear Delegate,

**OECD Policy Dialogue with non-Members on Aid for Trade: from Policy to Practice
Monday 6 - Tuesday 7 November 2006 in Doha, Qatar**

On 6-7 November 2006, the OECD will organise in Doha, Qatar, a Policy Dialogue with non-OECD Members regarding the topic "Aid for Trade: from Policy to Practice" to which we cordially invite you and the capital-based colleagues that your government may wish to nominate. This dialogue is a joint event of the Development Co-operation Directorate and Development Centre in co-operation with the Trade Directorate, and in partnership with the Gulf Organisation for Industrial Consulting (GOIC).

The policy dialogue will bring together a wide range of stakeholders from developing and developed countries in Asia, Africa and Latin America to share experiences and information on how best to support developing countries' trade expansion and make it an engine of economic growth and poverty reduction. The event also targets developing country participants who have thus far not participated in the Geneva-based Aid for Trade debate. In addition, we have deliberately limited the number of lead speakers to allocate the maximum time for an open discussion among participants.

The event has been scheduled to take place after the annual IMF/WB meeting in September (which will, *inter alia*, discuss the regional aspects of Aid for Trade). It will therefore provide a timely opportunity to discuss the main implications of the emerging Aid for Trade framework for donor and partner countries taking account of the Recommendations of the WTO Task Force on Aid for Trade, which made explicit reference to the Paris Declaration on Aid Effectiveness as the guiding principles. Discussions will focus on the inter-linkages of Aid for Trade with structural adjustment, private sector development, building supply-side capacities, facilitating trade and the role of donors and the OECD to address these challenges.

Much of the limited funding for this event will be directed at financing the travel and per diem expenses of the invited speakers from developing countries. We are regrettably not in a position to finance other developing country representatives. We would therefore very much welcome if your authorities could sponsor the participation of representatives from developing countries with whom your agency co-operates in the actual delivery of trade-related assistance. Their participation will be crucial to move Aid for Trade debate from *policy* to *practice*.

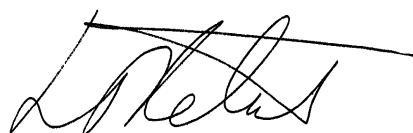
Information relating to the dialogue (including registration) is posted and regularly updated on the OECD website at www.oecd.org/dac/trade/doha2006. We would be grateful if you could confirm your attendance and/or that of other representatives of your country by **15 October 2006**. Should you require additional information, please do not hesitate to contact Mr. Masato Hayashikawa [masato.hayashikawa@oecd.org] who is responsible for co-ordinating this event.

We hope to welcome you in Doha.

Yours sincerely,



Michael Roeskau
Director, Development Co-operation Directorate



Prof. Louka T. Katseli
Director, Development Centre



**OECD POLICY DIALOGUE
WITH NON-MEMBERS ON
AID FOR TRADE:
FROM POLICY TO PRACTICE**

*A joint event organised by
OECD Development Co-operation Directorate and Development Centre, in co-operation with OECD
Trade Directorate, and in partnership with the Gulf Organisation for Industrial Consulting (GOIC)*

DRAFT ANNOTATED AGENDA

Monday 6 and Tuesday 7 November 2006

**The Ritz-Carlton Doha Hotel
Doha, Qatar**

Contact: doha2006@oecd.org

OECD POLICY DIALOGUE WITH NON-MEMBERS ON AID FOR TRADE: FROM POLICY TO PRACTICE

The aim of this OECD Policy Dialogue with non-Members on the topic of Aid for Trade is to bring together a wide range of stakeholders from developing and developed countries to share experiences and information on how best to support developing countries' trade expansion and make it an engine of economic growth and poverty reduction.

The objective is to provide developing countries' participants, and especially those who have not so far been part of the debate, the opportunity to ensure that their experiences in using donors' support to increase the benefits from the WTO Agreements contribute to the operationalisation of the December 2005 Hong Kong Aid for Trade Initiative. In addition, this Dialogue will provide an opportunity to seek feedback and input from partner countries on the proposed OECD's 2007/08 work on trade and development issues. Finally, it will offer an opportunity to assess the contribution this events and possible future regional gatherings to the OECD 2007/08 planned work on delivering aid for trade effectively.

Background

International trade, when coupled with domestic reform and sound macroeconomic policies, can be a powerful engine in promoting sustained economic growth, employment opportunities and poverty reduction. This has been demonstrated in a number of developing countries that have achieved impressive economic growth rates and substantial reductions in poverty. However, some developing countries are experiencing difficulties in capturing the benefits of more open trade. In these countries, governments, institutions and enterprises often lack the capacity, *e.g.* information, policies, procedures, institutions and/or infrastructure, to compete effectively in increasingly competitive global markets and take full advantage of the opportunities that are provided through international trade.

The agreement to put developing countries' priorities at the centre of the 2001 Doha Development Agenda (DDA) has highlighted the challenge of how to effectively address development concerns in the multilateral trading system, and in particular how to help developing countries overcome their trade-related institutional, human resource and supply capacity needs. The 2005 Hong Kong Ministerial Declaration agreed that Aid for Trade should aim to help developing countries to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO agreements and more broadly to expand their trade. Aid for Trade cannot be a substitute for the development benefits that will result from a successful conclusion to the DDA, particularly on market access. However, it can be a valuable complement to the DDA.

The July 2006 Recommendations of the WTO Task Force have provided a framework to operationalise Aid for Trade, which highlights the importance of the Paris Declaration on Aid Effectiveness. The OECD is explicitly invited to provide input in making Aid for Trade an effective instrument in assisting developing countries to increase exports of goods and services, to integrate into the multilateral trading system, and to benefit from liberalised trade and increased market access.

Organisation

The OECD Policy Dialogue will be organised by the OECD Development Co-operation and Trade Directorates and Development Centre, in partnership with the Gulf Organisation for Industrial Consulting (GOIC). The two-day event will be held on **Monday 6 and Tuesday 7 November 2006** in Doha, Qatar.

The morning session of the first day (Session I) will set out the key challenges for Aid for Trade in terms of the economic, political and implementation aspects (*“the policy”*). The objective is to take stock of the emerging Aid for Trade framework from the WTO Task Forces and the IMF/WB Development Committee processes, discuss the main implications for donors and partner countries, and enable participants from the field to assess how their experiences can best be fed into the policy process.

The afternoon session of the first day and the morning session of the second day (Sessions II and III) will address the practical aspects of implementing Aid for Trade (*“the practice”*). In these sessions, participants, particularly from the case study countries, will discuss the inter-linkages of Aid for Trade with structural adjustment, private sector development, building supply-side capacities, facilitating trade and the role of donors to address these challenges. These sessions aims at discussing developing countries' experiences which could benefit the design and implementation of Aid for Trade programmes.

The final session (session IV) will address how to ensure that the emerging Aid for Trade framework responds to the challenges identified and, in particular, increase the effectiveness of aid for trade activities. The need for a virtual “knowledge hub” for exchanging ideas, information and lessons learned will also be discussed.

Relevant OECD material

The following analytical work will be distributed as background documents:

- The analysis of different elements concerning Aid for Trade undertaken by the Development Co-operation and Trade Directorates. In addition, the OECD's 2005 work on Trade and Structural Adjustment (TASAP) are also relevant for the current discussion on Aid for Trade.
- The analysis of national policy responses to strengthening productive and trade capacities in Mali, Mozambique, Tanzania, Senegal, Uganda, Zambia, Viet Nam undertaken by the Development Centre. The objectives were: (i) to discuss various aspects of aid-trade linkages from a country perspective and to point to policy responses that might lead to better development outcomes in terms of growth and poverty reduction; and (ii) to take stock of the progress that has been achieved in trade-related assistance for export diversification and private sector development.

Participants

The Policy Dialogue will bring together development and trade policy makers from developing and developed countries, aid practitioners from the headquarters and field level, and stakeholders from the international organisations, private sector, academia and civil society from Africa, Asia and Latin America.

This would not only include participants from the case study countries (Mali, Mozambique, Tanzania, Senegal, Uganda, Zambia, Viet Nam) but also from a range of other LDCs and developing countries. Participants will come from both policy making and policy implementation areas of development with the objective of sharing and learning from lessons of experience and translating these into policy responses.

Draft Agenda

SUNDAY, 5 NOVEMBER 2006

13:00-17:00 **REGISTRATION** [to take place in the Ritz-Carlton Doha Hotel]

20:00-21:00 *All participants are invited to a welcome cocktail (a non-alcoholic event)*

RECEPTION

at the Ritz-Carlton Doha Hotel

Hosted by the Gulf Organisation for Industrial Consulting

Draft Agenda (* attendance confirmed)

MONDAY, 6 NOVEMBER 2006

10:00-10:30 Introduction

Her Excellency Ambassador Mia Horn af Rantzien of Sweden*

Chair of the WTO Task Force on Aid for Trade

Welcome and opening remarks

His Excellency Mr. Sheikh Hamad Bin Jassim Al-Thani*

First Deputy Prime Minister; Minister of Foreign Affairs, State of Qatar

Mr. Kiyotaka Akasaka*

Deputy Secretary-General, OECD

SESSION I: AID FOR TRADE – ANYTHING NEW?

Co-Chairs : H.E. Dr. Mia Horn af Rantzien* & Mr. Kiyotaka Akasaka*

This session will set the stage by providing an overview of recent developments in the Aid for Trade agenda (including its scope) and key challenges ahead in terms of the economic, political and implementation aspects. Both donors and partner countries will present their views on the debate on Aid for Trade.

10:30-10:40 **Achieving the Development Dimension of the WTO Doha Round**

Her Excellency Mrs. Valentine Rugwabiza*

Deputy Director General, World Trade Organisation

10:40-10:50 **The links between the enhanced Integrated Framework and Aid for Trade**

His Excellency Ambassador Donald Stephenson of Canada

Chair of the WTO Task Force on an Enhanced Integrated Framework

10:50-11:10 **Partner Country Perspectives: What benefits do they expect from Aid for Trade and how to get them?**

Her Excellency Dr. Mercedes Aráoz, Minister of Trade, Peru

His Excellency Mr. RamaKrishna Sithanen,

Minister of Finance & Economic Development, Mauritius

11:10-11:30 **Donors Perspectives: What impact will Aid for Trade have on their strategies?**

Mr. Laurie Lee, Head, DFID, UK

Mr. John Panzer, Sector Manager, Trade Department, World Bank*

11:30-11:40 **Business Perspectives: How can Aid for Trade promote private sector development in partner countries?**

Dr. Sarasin Viraphol, Executive VP, CP Group Co. Ltd., Thailand*

11:40-12:00

Coffee & Tea Break

12:00-13:00 **Open Discussion**

13:00-15:00

Lunch Break

Draft Agenda (* attendance confirmed)**MONDAY, 6 NOVEMBER 2006****SESSION II: CAPTURING THE BENEFITS OF TRADE –
HOW CAN AID HELP? (PART 1)**

This session and the next will address the inter-linkages of Aid for Trade with structural adjustment, private sector development, building supply-side capacities, facilitating trade and the role of donors to address these challenges. Discussions will be based on the country experience from Mali, Mozambique, Tanzania, Senegal, Uganda, Zambia and Viet Nam, and other OECD work. The objective is to present per thematic area how donors and recipient countries have worked together to maximise the benefits from trade liberalisation and WTO agreements for development.

15:00-16:30 The Right Policy Environment

Issues to consider include:

- ❖ What are the domestic policy factors that are critical to maximise the benefits from more open trade?
- ❖ Why are some countries performing better than others in facilitating and sustaining structural adjustment?
- ❖ How can aid best contribute to improving domestic policy environment?

Chair : Prof. Louka T. Katseli, Director, OECD Development Centre*

Lead Speakers :

- Mr. Yusuf Dodia, Chairman, Private Sector Development Association, Zambia*
- Mr. Hans Peter Lankes, IMF*

16:30-16:45***Coffee & Tea Break*****16:45-18:15 Eliminating Bottlenecks to Private Sector Development**

Issues to consider include:

- ❖ What needs to be done on a priority basis in addressing supply-side constraints?
- ❖ How can existing aid schemes best be utilised for private sector development?

Chair : Mr. Alberto Trejos, INCAE Costa Rica / former Minister of Trade, Costa Rica

Lead Speakers :

- Mr. Tilman Altenburg, German Development Institute*
- Mr. Eric Hazard, ENDA Tiers Monde, Senegal*
- Ms. Quynh Trang Phuong Nguyen, IFC Mekong PSD Facility*

Draft Agenda (* attendance confirmed)

TUESDAY, 7 NOVEMBER 2006

**SESSION III: CAPTURING THE BENEFITS OF TRADE –
HOW CAN AID HELP? (PART 2)**

9:30-11:00 Aid for Trade Facilitation and Export Capacity Building

Issues to consider include:

- ❖ What are the benefits (and costs) of trade facilitation?
- ❖ What can (and should) developing countries do in promoting export diversification, notably in agriculture and agribusiness?
- ❖ How can donors best help?

Chair : Dr. Dayaratna Silva, Counsellor, Permanent Mission of Sri Lanka to WTO*

Lead Speakers :

- Mr. Shahid R. Sheikh, Head of Customs Administration, Pakistan*
- Professor Andrew E. Temu, Sokoine University of Agriculture, Tanzania*

11:00-11:15

Coffee & Tea Break

11:15-13:00 Designing Effective Aid for Trade Programmes

Issues to consider include:

- ❖ What are the most effective instruments to identify the binding constraints to trade?
- ❖ How best to maximise the impact of donor commitments?
- ❖ How to ensure effective monitoring and evaluating of results?
- ❖ What are the effective dialogue mechanisms at local and global levels to engage different stakeholders (including the private sector)?

Chair : Mr. Richard Carey, Deputy Director, DCD, OECD*

Lead Speakers :

- Mrs. Khemmani Pholsena, DG, Foreign Trade Dept. Ministry of Commerce, Laos*
- Dr. Carlos Nuno Castel Branco, Ernst & Young, Mozambique

13:00-15:00

Lunch Break

Draft Agenda (* attendance confirmed)**TUESDAY, 7 NOVEMBER 2006****SESSION IV : MOVING FROM PRINCIPLES TO PRACTICE**

Co-Chairs: H.E. Dr. Mia Horn af Rantzien* &
 Dr. Fabio Scacciavillani, Gulf Organisation for Industrial Consulting*

This session will address how to put the aid effectiveness principles into practice and, in particular, how to assess and monitor in practice the progress made in implementing the Aid for Trade framework.

15:00-16:00 New Partnership Framework to Promote and Monitor Aid for Trade

Issues to consider include:

- ❖ How can Aid for Trade be effectively delivered?
- ❖ How can we build and share knowledge?
- ❖ What role should the OECD play in this regard?

Panelists :

- Mr. Xavier Carrim, Dept. of Trade and Industry, South Africa*
- Mr. Max von Bonsdorff, Ministry of Foreign Affairs, Finland (EU Presidency)*
- Mr. Antoni Estevadeordal, Principal Advisor, IADB*
- Mr. Ricardo Melendez, ICTSD*

16:00-16:15***Coffee & Tea Break*****16:15-17:45 Open Discussion****17:45-18:00 Rapporteur's Wrap-up** by Prof. Simon Evennet, Univ. of St. Gallen, Switzerland***18:00 Closing remarks** by the Gulf Organisation for Industrial Consulting

LIST OF CONFIRMED AND EXPECTED PARTICIPANTS

- Representatives from aid and trade ministries of the OECD and non-OECD Member countries
- Representatives from the following organisations:

Asian Development Bank (ADB)
African Development Bank (AfDB)
Commonwealth Secretariat
Inter-American Development Bank (IADB)
International Centre for Trade and Sustainable Development (ICTSD)
International Monetary Fund (IMF)
International Trade Centre (ITC)
Integrated Framework (IF) Working Group Members
Islamic Development Bank
UNCTAD
UNECA
UNECLAC
UNESCAP
UNIDO
UNDP
World Bank
World Customs Organisation
World Trade Organisation
WTO Task Force on Aid for Trade
WTO Task Force on an Enhanced Integrated Framework