

Aid for Trade

Symposium on Evaluation Identifying Indicators for Monitoring Aid for Trade

15-16 September 2008

Session 4: Summary Session

Valentine Rugwabiza's remarks:

1. Welcome to this final session of the symposium, in which we will pull together the key elements of the discussion that has taken place in the last two days on indicators for monitoring the progress of the WTO's Aid for Trade work programme. With me on the podium is Ambassador Servansing, in his capacity as Chairman of the Committee on Trade and Development, who will take the floor shortly to discuss with you how he intends to move the process forward in the CTD on this Aid for Trade monitoring exercise.

2. Let me recall what we set out to achieve at this symposium. We have been following up on the recommendations of the 2006 Aid for Trade Task Force and the 2007 Global Review that the WTO should strengthen the monitoring of Aid for Trade, and in particular monitoring of the implementation and impact of the Ministerial work programme that was agreed on in Hong Kong.

I. Structure of the monitoring exercise

3. We selected three main themes on which to structure this symposium. They were:

- first, Aid for Trade flows, which I think can be viewed as the supply-side of the Aid for Trade equation.
- second, resource-use: the use of Aid for Trade resources to build trade-related capacity in developing countries, particularly the LDCs, so as to assist them to improve their trade performance, or in other words the demand-side of the Aid for Trade equation.

- third, the process of matching up the supply-side with the demand-side. This includes all of the steps involved in matching donor financing with trade-related projects, from assessing and prioritizing trade capacity needs, to integrating these needs into the national or regional development strategy so as to place them in the broader development context of poverty reduction, and finally constructing a collaborative donor/beneficiary relationship.

4. I think that the discussion at this symposium has vindicated our choice of those three elements. We have covered all of the key areas of the Aid for Trade work programme that were identified by the 2006 Task Force, and my sense is that we could recommend to the Committee on Trade and Development that they use these three elements as the basic structure for the monitoring exercise that the CTD will be preparing for consideration at the next Global Review.

II. Selecting benchmark indicators

5. Over the past two days we have been considering sets of indicators in each of these three areas. Why do we need these indicators? The answer, I think, is that we have many different actors involved who will all need to contribute to the Aid for Trade monitoring exercise if it is to be a success. We have the donors and the beneficiary countries, individually and in some cases as regional or sub-regional groups. We also have the international development agencies and regional development banks or organisations, who are involved in the financing and delivery of trade-related technical assistance and capacity-building. We shall need to collect information from all of these sources for the monitoring exercise in the WTO, and that will be made a great deal easier if we have benchmark indicators that all interested parties can use to present the information that we shall ask them to provide on one or more of the three elements of the Aid for Trade equation. I am not suggesting that we should impose on anyone a common format for collecting, processing and reporting all information on their Aid for Trade activities. There will always need to be room for monitoring at the level of individual countries or agencies, what we have referred to as the micro-level in the background paper. But we do need to try to identify a few common indicators that we feel are central to the monitoring exercise, and that all Aid for Trade actors feel comfortable using.

6. Let me illustrate what I mean by referring to each of the three elements of the monitoring exercise, starting with the supply-side of Aid for Trade resource flows. Here we have consensus, I think, that the benchmark indicator for the monitoring exercise will be the CRS data on Aid for Trade flows that is collected by the OECD. However, it will be valuable to complement the CRS data with information provided by individual donor and beneficiary countries and by international agencies on their specific Aid for Trade activities. This will not only allow us to capture information that is not collected routinely in the CRS database, such as non-concessional Aid for Trade financing by the multilateral and regional development banks. It will also allow us to flesh out the raw numbers from the CRS database by providing more detail on specific Aid for Trade categories that Members may decide to focus on at one or other of the forthcoming global reviews; for example, by focusing on Aid for Trade provided for trade adjustment assistance purposes, or on trade facilitation measures, or on trade-related infrastructure, at national or regional level.

7. So, in the area of Aid for Trade resource flows, we have our benchmark indicator that we shall ask everyone who provides information for the monitoring exercise to apply as far as possible for comparability purposes. But we will supplement that with more micro-level monitoring from individual donors or beneficiaries, or international agencies.

8. Now let me turn to the second element of Aid for Trade resource use, or if you like the demand-side of the equation, which covers the two issues of implementation and impact that the last Global Review said should be monitored. The central focus of the monitoring exercise here is the trade-related capacity building in developing countries and its impact on their trade competitiveness and their trade performance. Also, the broader issue of how improved trade performance is contributing to the achievement of development objectives such as poverty reduction and the Millennium Development Goals.

9. Several benchmark indicators could be of value to us here. One is the World Bank's "Logistics Performance Index", which compiles information and presents it at a comparable macro-level on the trade capacity and trade-related infrastructure of each developing country and LDC. This would allow us to monitor over time and overall whether developing countries and LDCs are making progress in overcoming their trade-related capacity

constraints. Others are the ITC's Trade Performance Indices which cover trade flows, market access data, foreign investment data and trade competitiveness data, and the World Bank/IFC's "Doing Business" database which provides comparable data on the domestic regulatory environment. And for the broader development picture, we could use a benchmark indicator such as periodic reports from the UN on meeting the MDGs and UNDP's "Human Development Index".

10. However, this is an area where I believe we need to deepen our analysis and monitoring to take into account developments at the regional and the individual country level. At the regional level, we could draw on regional benchmark indicators such as the African Competitiveness Report, and similar material produced by the World Bank and the Regional Development Banks for Asia and Latin America. At the sub-regional and national level we could rely on material produced for specific projects, such as the COMESA-EAC-SADC Regional Trade Facilitation Programme, and for national Aid for Trade monitoring purposes such as that described yesterday by Vishnu Bassant in the case of Mauritius. That would allow us to consider issues that have been raised at this symposium, such as the importance of the right sequencing of Aid for Trade interventions for an optimal impact of the capacity built on the trade performance and development of concerned countries' regions.

11. The third element is the process of bringing together the supply and the demand sides of the Aid for Trade equation, covering the assessment of trade capacity needs, their integration into national development strategies, the donors' responses and collaboration between donors and beneficiaries to get trade-related capacity building projects off the ground. My sense is that in this area we shall need to rely very heavily on more micro-level indicators such as case studies at the national and regional or sub-regional levels.

12. Overall, I think that our discussions have pointed to the conclusion that macro-level indicators will not be enough on their own in any of the three areas of the Aid for Trade work programme that we are covering. Those indicators can very usefully be complemented by more micro-level data and information, to help bring a qualitative element into the monitoring exercise. An example here is the value that we can add to the exercise by looking in depth at a few case studies, for example of how individual developing countries or regions are assessing their trade capacity needs, how they are integrating these into their development

strategies and constructing their donor-beneficiary relationships, how they are investing their Aid for Trade resources to build trade capacity, and how these investments are impacting on their trade performance. It is an impossible task to capture properly this kind of "what works and what doesn't" experience, or "best practice", in cross-country, macro-level indicators, where all of the country-specific details are washed out during the aggregation process.

III. Collecting data

13. I think the collection of the data for the macro-level benchmark indicators is straightforward. The difficulty is collecting comparable data at the more detailed level of sub-regional and national Aid for Trade projects and programmes. That leads me to stress the importance for our monitoring work of several exercises that are underway this year and that will help to generate this kind of micro-level evidence about the implementation and impact of the Aid for Trade work programme.

14. One of those exercises is being carried out by the Regional Development Banks, who are each organising a number of national and regional reviews of Aid for Trade. The results of those reviews will provide a rich source of material for the monitoring exercise in the next Global Review, and I encourage the RDBs and the countries and regions involved to keep that outcome in mind as they move forward with their own regional Aid for Trade programmes.

15. A second exercise, which is being carried out by the OECD Secretariat, is the preparation of the donor and partner country questionnaires to monitor Aid for Trade. Let me emphasize here that the WTO is committed to helping to make a success of the exercise involving the partner country questionnaires. This was one of the shortcomings of last year's Global Review. The questionnaires will be considered presently in the Committee on Trade and Development, and we are prepared to assist our developing and least-developed country Members to not only complete the questionnaires but also to use them in a pro-active way to promote their Aid for Trade programmes in national capitals. The donor and the partner country questionnaires can provide us with a wealth of information on the progress being made by individual countries and regions on their Aid for Trade programmes.

16. Finally, I think we can depend on the Enhanced Integrated Framework to provide us with a rich source of information on progress made with Aid for Trade implementation in the LDCs (resources' flows, resources' use, trade-capacity built and impact on trade performance). Now that the EIF is almost up and running, I think we will do well to make sure that we keep it at the centre of the WTO's broader Aid for Trade work programme, including on indicators of progress.

IV. Next steps

17. Looking forward to the next steps in this exercise, I believe we should focus on three issues.

18. The first is to stabilize the set of indicators that Members wish to use for the Aid for Trade monitoring exercise. That is the role of the CTD. The recommendations of this symposium will be sent to the CTD so that Members can make their choices on which indicators they wish to use. The criterion that should be used to make that choice is, in my view, which indicators will be the most useful for the WTO to monitor progress in the implementation of the Aid for Trade work programme and its impact on the trade performance of developing countries and LDCs. We need to keep in mind this pragmatic approach, we need to keep things simple as far as possible, we need to make use of what already exists.

19. The second issue is collecting the data for those indicators.

- For the macro-level cross-country indicators, such as the CRS database and the World Bank's Logistics Performance Index, the process is already in train.
- We are making progress too with the donor and the beneficiary country questionnaires. The information gathered from these questionnaires will play a very important role in the monitoring exercise. The CTD has an important job ahead of it to finalize the questionnaires. We then need, I believe, to use available vehicles, such as the TPR process and the EIF, to get out and help developing countries, and especially the LDCs, to prepare their responses to the questionnaires. We need to set a deadline for those responses, and we need to aim for as full a participation as

possible from developing countries and LDCs in the exercise so as to have a more complete picture than we were able to provide at the first Global Review.

- The third source of data for the monitoring exercise will come from case studies of individual national, sub-regional or regional Aid for Trade projects and programmes. The Regional Development Banks are preparing case studies through the national and regional reviews that they are organizing over the next few months. That should produce a rich source of case by case information on progress in implementing the Aid for Trade work programme at the national and regional level. It would be valuable to be able to count on case studies other than those being organized by the RDBs, for example the COMESA-EAC-SADC Trade Facilitation Programme, and we should be identifying candidates that we think would contribute to our monitoring effort.

20. The third issue is, of course, the next Global Review. We have to have everything prepared well in advance if Members are to be able to review the material produced to monitor progress on the Aid for Trade work programme and to come to the Global Review prepared to provide the political level input that is expected from them. The Global Review is expected to be an operational exercise, from which Members draw conclusions that will contribute to steadily increasing the effectiveness of our monitoring and evaluation of the Aid for Trade work programme.