



WORLD TRADE ORGANIZATION
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ORGANISATION OF ECONOMIC
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TECHNICAL ASSISTANCE

Aid for trade capacity in poorer countries up by 50 per cent since Doha

The amount of trade-related technical assistance and capacity building (TRTA/CB)—to help developing and least-developed countries to participate more efficiently in international trade—has increased by 50% since the Doha Ministerial Declaration, in November 2001. As donors become increasingly active in this area, aid for trade capacity has grown to some 4.4% of total aid commitments of the world's major contributors, according to a joint report by the World Trade Organization (WTO) and the Organisation for Economic Co-operation and Development (OECD).

The report draws from a joint WTO/OECD database on trade capacity building available at <http://tcbdb.wto.org>. This database, launched in November 2002, now contains almost 15 000 activities covering the period 2001-2006, and consolidates trade-related aid commitments in the areas of capacity building and technical assistance, reported by more than 40 bilateral donors and multilateral agencies.

Assistance is provided within three categories:

- **Trade policy and regulations** — to help countries reform and prepare for closer integration in the multilateral trading system — up from USD 0.65 billion in 2001-02 to USD 0.85 billion in 2003-04;
- **Trade development** — to help enterprises to trade and create a favourable business climate — up from USD 1.3 billion to an average of USD 2.1 billion over the same period; and
- **Infrastructure** — to help countries build the physical infrastructure to produce and move goods and export them — some USD 9.3 billion in 2003.

The report includes the results of a survey that shows that donors have become much more active in this area over the last few years — through increased funding; explicit strategies and programming guidelines to develop trade; more awareness of the role of trade assistance in poverty reduction; and strengthened dialogue between development and trade practitioners.

THE TRADE CAPACITY BUILDING DATABASE

<http://tcbdb.wto.org>

HIGHLIGHTS

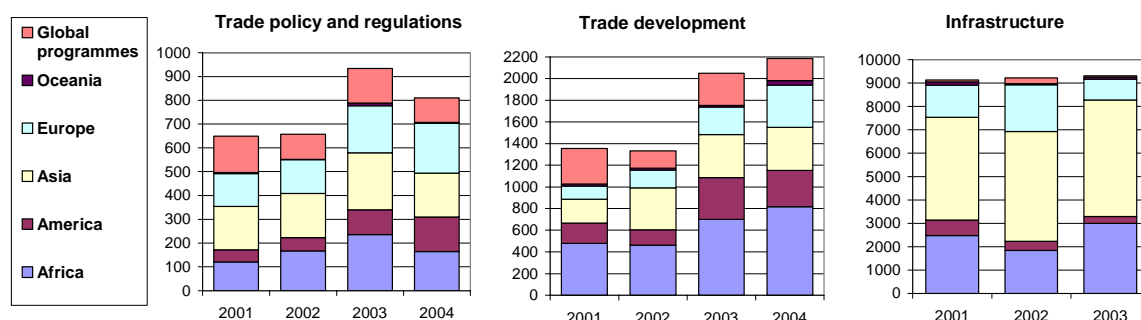
2005 Joint WTO/OECD Report on Trade-Related Technical Assistance and Capacity Building (TRTA/CB)

The joint WTO/OECD Trade Capacity Building Database (TCBDB) contains almost 15 000 activities covering the period 2001 — 2006 and reported by more than 40 bilateral donors and multilateral agencies. The 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.

Trade-related assistance is categorised under three headings:

- **trade policy and regulations** — to help countries reform and prepare for closer integration in the multilateral trading system;
- **trade development** — to help create a favourable business climate; and
- **infrastructure** — to help countries build the physical infrastructure to move goods and export.

Chart 1 — Distribution of TRTA/CB and infrastructure by region and main category — USD million



Since the Doha Ministerial Declaration, total assistance to trade capacity building has increased by 50%:

- Aid committed to assist beneficiary countries with **trade policy and regulations** increased from a base of USD 0.65 billion in 2001-02 to an average of USD 0.85 billion in 2003-04, while over the same period aid committed to **trade development** rose from a base of USD 1.3 billion to an average of USD 2.1 billion.
- Least Developed Countries (LDCs) represented 16% of total commitments for support to **trade policy and regulations** and 20% for support to **trade development**, less than their 25% share, in 2003, in both categories.¹
- Contributions to the TRTA/CB **Trust Funds** (e.g. Joint Integrated Technical Assistance Programme, Integrated Framework Trust Fund, the ITC and the WTO) increased from USD 26 million in 2001 to USD 45 million in 2003 and remained stable at that level in 2004.
- Support for economic infrastructure — transport, energy and telecommunications — which is essential for international trade, reached USD 9.3 billion in 2003, with an increased share for Africa.
- In 2003, the respective shares of TRTA/CB and infrastructure in total aid commitments were 4.4% and 25%.²

¹ This decrease is largely due to the programming cycle of the main donors that made many new multi-year commitments to LDCs in 2003.

² OECD estimate, calculated on sector-allocable Official Development Assistance (ODA). 2004 data are not yet available.

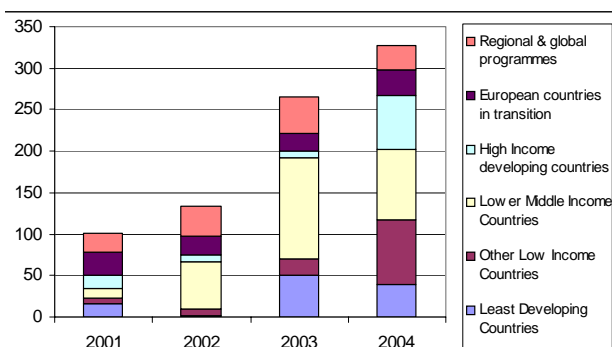
Following commitments by the G8, EU and at the UN 2005 Summit, total Official Development Assistance is projected by the DAC Secretariat to increase from USD 80 billion in 2004 to USD 130 billion in 2010. With increased attention to trade and infrastructure to help achieve the Millennium Development Goals, 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 report includes the results of an OECD TRTA/CB Survey. These show that donors have become much more active in this area over the last few years. This is reflected in increased funding; the number of donors with explicit strategies and programming guidelines for TRTA/CB; enhanced awareness of the importance of TRTA/CB for development and poverty reduction; and strengthened dialogue between development and trade practitioners. In addition, several donors have reviewed their bilateral programmes and/or their participation in multilateral programmes to assess the effectiveness of their TRTA/CB activities. The report also includes a short summary — “TCB at a glance” — that provides for each donor an overview of the volume of assistance, strategy, objectives, and geographical and thematic areas.

The 2005 report also focuses on two significant Doha Development Agenda developments: the launch of the WTO negotiations on trade facilitation and the implementation of the development aspects of the cotton initiative, and shows recent trends of assistance dedicated to these two areas.

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 USD 330 million. Multilateral agencies, including the EC, are the main channel of assistance to trade facilitation. 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, but the share and the volume of assistance to low income countries (LDCs and Other Low Income Countries) has increased since 2003.



Figures in USD million

Cotton Initiative

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 related to cotton committed for Africa reached USD 63.4 million in 2004 pursuant to the agreed mandate in the July Framework Package, five times its level of 2002-2003. At the global level it reached USD 78.6 million with an increase over 2002-2003 of 150%.

	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

Figures in USD million

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