DEVELOPMENT CO-OPERATION DIRECTORATE
TRADE DIRECTORATE

ROADMAP FOR THE JOINT DAC-TC 2007-08 PROGRAMME OF WORK ON AID FOR TRADE
Joint Meeting of the Development Assistance Committee and the Working Party of the Trade Committee

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THE JOINT DAC-TC 2007-08 PROGRAMME OF WORK ON AID FOR TRADE:
ROADMAP FOR 2007

Introduction


2. The joint DAC-TC programme seeks to achieve three main objectives, each of which has been translated into a corresponding work stream with specific deliverables. The objectives are:
   - Improving the credibility and impartiality of local and global assessments of the effectiveness of Aid for Trade programmes;
   - Enhancing the effectiveness of Aid for Trade programmes; and
   - Integrating trade issues more effectively in aid programming.

3. The joint work will have three work streams. The Secretariat will initially focus on Streams 1 (monitoring and evaluation) and 2 (aid effectiveness) in view of the tight WTO timeframe for the implementation of the WTO Task Force recommendations (the first annual WTO Aid for Trade review will take place in November 2007). Stream 3 (awareness) will follow closely and will benefit from findings from work under Stream 2 in particular.

Outputs

Stream 1: Monitoring and Evaluation

4. The objective of this work is to enhance performance management through the use of a common set of monitoring and evaluation tools geared towards enhancing local accountability and global review. This will help to ensure that funding, design and implementation issues of Aid for Trade programmes are properly addressed, that results are delivered, and improvements in effectiveness are sustainable. The work will be grounded in the principles of the Paris Declaration on Aid Effectiveness.

5. Furthermore, as set out in the December report of the WTO Director-General [JOB(06)/262], the OECD will create “a technical working group to help establish and organise Aid-for-Trade monitoring”. This group will be comprised of representatives of the DAC Members, multilateral institutions, regional development banks and selected partner countries. The first meeting of the Technical Working Group will take place back-to-back with the joint DAC-WPTC meeting in the afternoon of 21 March and on 22 March [COM/DCD/TAD/A(2007)2/PROV/REV1].

6. This work will produce the following outputs.
   - A conceptual framework on monitoring (who does what) Aid for Trade flows at the country and global levels, including template/questionnaires for Aid for Trade qualitative monitoring.
   - A review and assessment of indicators of growth in trade capacity, such as domestic and global policy trends affecting trade, changes in productivity, competitiveness, comparative advantages,
domestic value-added in exports, composition of exports, and the degree of integration in the world economy. On the basis of this review, Stream 2 will focus more on evaluation proper and address issues relating to assessments of the effectiveness of donor Aid for Trade programmes (what works and what does not).

7. In addition to the joint programme, the DAC Secretariat will review its data collection and reporting methods (via the WTO/OECD Trade Capacity Building Database) in light of the Aid for Trade definition proposed by the WTO Task Force. The OECD input into the aggregate monitoring of global Aid for Trade through the periodic review in the WTO will also be based on the annual WTO/OECD database report which will henceforth include a qualitative assessment of DAC Members' Aid for Trade programmes on the basis of the DAC/CRS database.

Stream 2: Effectiveness

8. The objective of this work is to improve the know-how of practitioners in the field and in capitals on how to design and effectively implement programmes to enable developing countries to use trade to promote growth, development and poverty reduction and to achieve their development objectives. This will be closely linked with the above work stream 1.

9. This work will identify Good Practices in delivering Aid for Trade effectively building on the Paris Declaration. The output of this work stream will include a set of evidence-based practitioners’ tools, with guidance on which type of interventions are more effective in increasing trade capacity (e.g. raising productivity and export competitiveness). This tool kit will also be complemented by a set of country case studies on effective Aid for Trade programmes.

Stream 3: Awareness

10. The objective of this work is to increase awareness among aid and trade administrations in donor countries (both at headquarters and field offices) and in partner country governments about the links between trade, growth and development, including poverty reduction, gender and environmental sustainability. This will be carried out in close collaboration with the POVNET and be linked to the above work stream 2.

11. This work will produce a policy guidance paper which will highlight what we know about the links between trade, growth and poverty reduction (the conceptual framework) and provide concrete examples of donor and partner country policies and practices in making trade an effective instrument for poverty reduction, including via a more strategic treatment of trade in poverty reduction strategies (good practices).

Outreach Events

12. Regional events on Aid for Trade will be organised in Africa, Asia and Latin America to promote exchange of ideas, information and lessons learnt amongst partner and donor country practitioners, and to build-up good practices. The objective is to create a practitioners forum (a knowledge hub of best practices) to discuss experiences and work together to improve the effectiveness of trade-related assistance and monitor progress in Aid for Trade in each region. This will be carried out as part of a broader communications, dissemination and outreach strategy.

13. Moreover, it is proposed that these outreach events be linked to and held back-to-back with the WTO four regional “reviews” (two in Africa and one each in Asia and Latin America) which will be co-hosted by the relevant Regional Development Banks, the recipient country, the main donor agencies, and the private sector. The results of these events will be fed into the OECD work streams.
Work Modalities

14. It is suggested that Steering Groups (in the case of the work on monitoring, a Technical Working Group) are created for each work stream. At the same time, close links should be established and synergies developed with other relevant OECD work programmes, such as the POVINET work on how to ensure that economic growth reaches the poor and reduces poverty, as well as DCD work on capacity development, etc.

15. Participation of outside stakeholders will be encouraged, including from partner countries/regions and international organisations such as the World Bank, IMF, and other agencies participating in the Integrated Framework, plus a number of research institutes working in this field including the OECD Development Centre, etc. The aim is to invite these stakeholders to actively participate in the joint DAC-TC meetings devoted to this work area, and develop the output results in close co-operation with them. This should ensure both broad-based support and assistance for the work area as well as avoiding duplication with related work elsewhere.

Timetable for 2007

- **21(PM)-22 March**: First meeting of the Technical Working Group on the Aid for Trade Monitoring Framework to launch joint work amongst key bilateral and multilateral donors and selected partner countries.

- **2 April**: Present the OECD views on the monitoring of Aid for Trade (and an outline of the OECD contribution to the WTO Aid for Trade agenda) to the WTO Committee on Trade and Development (CTD). This will be based on the improved annual WTO/OECD database report (including an analysis of CRS data).

- **17-18 April**: Present to the POVINET the proposed work programme on increasing awareness about the links between trade and poverty reduction – on the basis of a "terms of reference" document which sets out expected activities, timelines, outputs and impacts.

- **May**: Based on initial work on how to design effective Aid for Trade programmes, convene a first meeting of the Steering Group for the Effectiveness work stream, define a detailed work programme on the basis of the scoping note, solicit input, and finalise future schedule.

- **May/June**: Organise a regional outreach event back-to-back with the WTO first Regional Aid for Trade Review (Africa) and test-run preliminary proposals on the monitoring mechanism and questionnaire templates for country-based reports.

- **Late June**: Second meeting of the Technical Working Group on the Aid for Trade Monitoring Framework. Preparation of (a) a monitoring framework, and (b) a proposal for the common assessment indicators for the WTO Annual Review meeting in November.

- **September**: Organise a regional outreach event back-to-back with the WTO second Regional Aid for Trade Review (Latin America and the Caribbean) and test-run preliminary proposals on the monitoring mechanism and questionnaire templates for country-based reports.

- **October**: Convene a second joint meeting of DAC and TC/WP and a third meeting of the Technical Working Group on Aid for Trade Monitoring Framework. Organise a regional outreach event back-to-back with the WTO third Regional Aid for Trade Review (Asia) and test-
run preliminary proposals on the monitoring mechanism and questionnaire templates for country-based reports.

- **November:** Organise a regional outreach event back-to-back with the WTO fourth Regional Aid for Trade Review (Africa) and test-run preliminary proposals on the monitoring mechanism and questionnaire templates for country-based reports. Present the updated Annual Trade-Related Assistance Report at the WTO Annual Aid for Trade Review Conference.
CHART 1. ROAD MAP FOR THE JOINT DAC-TC 2007-08 PWB ON AID FOR TRADE