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DEVELOPMENT CO-OPERATION DIRECTORATE
TRADE AND AGRICULTURE DIRECTORATE

Cancels & replaces the same document of 16 April 2019

**Draft Annotated Agenda of the Joint Meeting of the Development Assistance Committee
and the Working Party of the Trade Committee to be held on 13th May 2019**

OECD Conference Centre, La Murette, Paris, France

This draft-annotated agenda is submitted for ADOPTION under item 1 of the joint DAC – WPTC meeting on 13th May 2019.

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Draft Annotated Agenda for the Joint Meeting of the Development Assistance Committee and the Working Party of the Trade Committee to be held on Monday 13 May

Delegates are invited to confirm their participation through the OECD Event Management System (EMS). Please note that, in order to save paper, printed copies of documents will only be available in the meeting room if they were posted on O.N.E. fewer than seven days ahead of the meeting.

Monday 13 May 2019

10:00

Item 1. Welcome and Adoption of the Agenda

COM/DCD/TAD/A(2019)1/PROV

For Adoption

10:05

Item 2. 2019 Draft Joint OECD/WTO Publication - Aid for Trade at a Glance

COM/DCD/TAD(2019)3/CHAP 1 – 9

DCD PWB 5.1.3.1

TAD PWB 3.1.3.1.2

For information prior to publication under the responsibility of the OECD and WTO secretariat

13:00 – 15:00 Pascal Lamy « Oú va le Monde? » Lunchtime presentation Co-Op Lab

15:00

Item 2. 2019 Draft Joint OECD/WTO Publication - Aid for Trade at a Glance - Continuation

16:30

Item 3. Agenda of the 7th Global Review of Aid for Trade

For Information

16:45

Item 4. Any other business

17:00 Meeting closes

ANNOTATIONS

Item 1. Welcome and Adoption of the Agenda

1. The Co-Chair will invite delegates to adopt the meeting agenda.

Item 2. 2019 Draft Joint OECD/WTO Aid for Trade at a Glance

[COM/DCD/TAD(2019)3/CHAP 1 - 9]

2. This seventh edition of the Aid for Trade at a Glance publication seeks to explore the implications of economic diversification and empowerment through trade and aid and aid for trade. The joint OECD/WTO Aid for Trade at a Glance publication is prepared in collaboration with the Enhanced Integrated Framework (EIF), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO) and the World Bank Group. The authors will present their chapter for information. Secretary-General Gurría will launch the publication at the seventh Global Review hosted by the WTO on 3-5 July 2019.

▶ *Chapter 1 Setting the scene*

[COM/DCD/TAD(2019)3/CHAP1]

WTO

3. Economic diversification and economic empowerment embody the rationale behind the Aid-for-Trade Initiative. This chapter discusses insights emerging from the joint OECD-WTO monitoring and evaluation (M&E) exercise which in 2019 focused on surveying these two themes. The starting point for the analysis is the divergence in the number of merchandise products and services exported by countries at different levels of development, of income and in different geographical circumstances. Against this background, economic and export diversification emerges from the M&E exercise as a core objective of the trade and development policies of partner countries, particularly least developed countries (LDCs) and landlocked developing countries (LLDCs).

▶ *Chapter 2 Aid for Trade policies and programmes*

[COM/DCD/TAD(2019)3/CHAP2]

OECD

4. This chapter examines the aid-for-trade flows disbursed since the start of the Aid-for-Trade Initiative in 2006, with a particular focus on building productive capacities. In particular, it looks at the different sources of financial support (i.e. ODA, OOF, grants, loans, leveraged, blended, south – south, triangular) from the different actors, (i.e. public, private and philanthropy) to the different recipients (categorised on the basis of income, (sub) region, and per capita) and different aid-for-trade categories (i.e. trade policy and regulations, trade development, building productive capacities and trade-related infrastructure). The analysis is conducted in the context of the Financing for Development Agenda. It concludes with the outlook for aid for trade, in a landscape characterised by an increasing number of actors, competing thematic foci and emerging concerns around debt sustainability.

▶ *Chapter 3 Promoting Economic Diversification and Structural Transformation through Industrialisation*

[COM/DCD/TAD(2019)3/CHAP3]

UNIDO

5. This chapter analyses production capabilities – an essential component for the Aid-for-Trade Initiative to be effective. Past growth in manufacturing and related services sectors has absorbed large numbers of workers into productive jobs and increased the prosperity of their families and communities. Industrialization and structural transformation remain at the core of many national and regional economic

development strategies. In view of greater automation and digitization, this chapter also discusses the implications of the changing nature of industrialization and the production process for the future of manufacturing development. Policy lessons are drawn to address "supply side constraints" in manufacturing through Aid-for-Trade, which in turn contributes to structural transformation. One theme that re-emerges throughout the chapter is the opportunities industrial policy offers for inclusive and sustainable development. Relevant environmental aspects, like green technologies and energy efficiency, are also considered in the context of economic competitiveness and sustained growth.

► *Chapter 4 Aid for Trade in Challenging Contexts*

[COM/DCD/TAD(2019)3/CHAP4]

EIF & UNDP

6. The Chapter provides an overview of the existing evidence on the linkages between export concentration and fragility. While acknowledging that there is no one size-fits-all solution, it highlights several options in addressing structural challenges of LDC economies. Building on the OECD Aid for Trade data, the Chapter points out that Aid for Trade flows to LDCs are highly concentrated among key recipients, key sectors, and key development partners. For the past five years, commitments have fluctuated, but disbursements have remained stable. The flows to g7+ LDCs have remained broadly stagnant for the past five years. Finding a better response in fragile contexts requires greater coherence between humanitarian, development and peacebuilding efforts. Remaining cognizant of local contexts, institutional strengthening, and state building and peacebuilding efforts is key in designing future aid-for-trade programmes.

► *Chapter 5 Economic Diversification: Lessons from Practice*

[COM/DCD/TAD(2019)3/CHAP5]

WORLD BANK GROUP

7. Rooted in examples of World Bank Group support, this chapter offers a definition that encompasses two related dimensions of economic diversification: (i) trade diversification (i.e. exporting new or better products, or to new markets) and (ii) domestic production diversification (i.e. cross-sectoral rebalancing of output, driving the reallocation of resources across industries and within industries between firms to increase total factor productivity). The chapter raises awareness on the complexity of the diversification process and the state of knowledge surrounding economic diversification. While the current global environment creates challenges for poor, small, landlocked and/or resource-dependent countries, a range of new diversification routes can be followed. This however requires that policy attention be paid to four key determinants of successful diversification strategies, which development partners and International Organizations can support through targeted Aid for Trade initiatives. These are: (i) the supply of appropriate incentive frameworks; (ii) investments and policy reforms targeted at reducing trade costs; (iii) effective policies to support adjustment and the reallocation of resources towards new activities; and (iv) government interventions directed at specific market, policy and institutional failures.

► *Chapter 6 The critical role of trade facilitation*

[COM/DCD/TAD(2019)3/CHAP6]

WORLD BANK & UNCTAD & OECD

8. Trade facilitation emerged as the number one priority of developing countries and their financing partners in the most recent aid-for-trade monitoring and evaluation exercises. This chapter will analyse how aid for trade is supporting implementation of the WTO's Trade Facilitation Agreement, and trade facilitation reforms more generally. A retrospective analysis highlights where progress is made and impacts are recorded, including as captured by as notably other benefits that can be linked back to trade facilitation reforms. The second section of the chapter takes a prospective look at trade facilitation. It examines how customs and other border clearance functions are adapting to the challenge of e-commerce and how aid for

trade is supporting this process. The chapter provides an overview of where support needs are coalescing, emerging forms of support (in particular public-private partnerships) and the impacts achieved from projects and programmes already undertaken.

► *Chapter 7 Export Diversification at the Time of Slowbalisation*

[COM/DCD/TAD(2019)3/CHAP7]

UNCTAD

9. Export diversification remains an important development objective of many commodity-dependent developing countries. Today's global economic trends, however, suggest that the world may be entering a period of "slowbalisation", signified by slower growth of trade, foreign direct investment and capital flows. Growing environmental concerns also raise questions over the viability of repeating the pattern of massive export growth enjoyed by some developing countries in the past several decades. Shifting patterns of economic growth call for a new focus in developing countries' export diversification strategies. This chapter discusses that two areas - services trade and South-South trade – can provide developing countries with untapped potential for continuing export diversification. The chapter then discusses how South-South regional regulatory cooperation could enhance services trade and reduce the trade-distorting impact of non-tariff measures. To conclude, the chapter explores the role of Aid for Trade in enhancing export diversification through regional cooperation.

► *Chapter 8 Empowering youth for sustainable trade*

[COM/DCD/TAD(2019)3/CHAP8]

ITC

10. This chapter analyses the connections between youth economic empowerment and the international competitiveness of SMEs. While internationally competitive SMEs provide more and better jobs for young people, improved youth skills and innovation also promote SME competitiveness and exports. As such, the twin problems of youth unemployment and SME competitiveness can and should be solved jointly. This chapter presents research findings on enabling policies and successful aid-for-trade support programmes for promoting youth skills and entrepreneurship as well as their implications for SME competitiveness and trade. It concludes with recommendations on how aid-for-trade and government strategies can empower youth to participate in sustainable trade.

► *Chapter 9 Emerging lessons from aid for trade in support of women and trade*

[COM/DCD/TAD(2019)3/CHAP9]

OECD

11. Women's economic empowerment is one of the key drivers of sustainable development. This chapter examines how bilateral and multilateral donors are integrating gender perspectives in aid for trade. It introduces data showing that donors have been increasing their attention to gender dimensions in aid for trade. However, not enough is being done, particularly in sectors such as transport, energy, financial services, mining and industry. Good examples by a few donors are therefore highlighted to provide lessons to other donors that are facing challenges in integrating gender perspectives in these areas. They reveal that many projects entail training of women as government officials or as project beneficiaries, particularly for income generation. Other activities include studies or development of project designs that would incorporate gender dimensions in the particular area or activity. In this context, the chapter recommends donors to establish an adequate monitoring and evaluation system to assess the extent to which the incorporation of gender perspectives in aid for trade sectors actually leads to long-term impact on women's economic empowerment.

Item 3. Agenda of the 7th Global Review of Aid for Trade

12. The WTO Secretariat will provide an update of the agenda for the 7th Global Review of Aid for Trade, hosted by the WTO on 3 - 5 July 2019.