OECD WORK ON TRADE AND DEVELOPMENT:

JOINT MEETING OF DEVELOPMENT AND TRADE OFFICIALS,
24 APRIL 2001
To the Heads of Delegations represented
on the Development Assistance Committee

Madam, Sir,

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I am writing to inform you about progress achieved in the OECD collaborative work on trade and development and to convey a proposal that senior development and trade officials take advantage of their back-to-back Committee meetings for an informal exchange of views on 24 April 2001 (p.m.).

As pointed out in my previous letter on this subject [DCD/DIR(2000)13], our collaborative work seeks to provide the necessary elements for a broad-based communication strategy to make the development case for trade, including how trade policy can contribute to poverty alleviation. Towards that end, work aims to (i) foster a better understanding of the links between openness, growth and development strategy; (ii) establish why the concerns and interests of developing countries are best addressed in the context of the rule-based multilateral trading system; and (iii) provide developing countries with the tools and institutional instruments to become more fully integrated into the multilateral trading system.

The collaborative work is progressing as follows:

- The draft guidelines on Capacity Development for Trade are being developed with the help of a Steering Group of Experts. The guidelines will be submitted through the DAC for endorsement at the DAC High Level Meeting in April 2001.
- The Trade Committee discussed a first draft of the Trade Directorate’s study on trade and development issues [TD/TC/(2000)14 and ADD1] on 24–25 October. The draft is being revised to take account of the first round of comments. A revised version will be submitted to the Working Party of the Trade Committee in December followed by a discussion during the February 2001 Trade Committee meeting.
- The Development Centre Policy Dialogue on “The Impact of Globalisation on Income Inequality in Developing Countries: Lessons for Policy Makers” is scheduled to take place on 30 November and 1 December 2000. The case studies on trade capacity building in six east African countries are scheduled to be completed in the spring of next year.

The “story line” emerging so far: (i) the liberalisation of trade and investment is the driving force behind the globalisation of the production process; (ii) some non-OECD countries are starting to participate in and benefit from this process, but many others are still lagging behind; (iii) compliance with WTO standards and technical requirements is far more demanding on the human and institutional capacities of many poor countries than the process of removing market access barriers; (iv) the codification of rules and regulations for trade in goods and services in the WTO Single Undertaking has brought benefits to non-OECD countries. However, more remains to be done, in particular with respect to (i) further liberalisation of market access; (ii) operationalisation of the provisions for Special and Differential Treatment; and (iii) effective trade capacity building.
At the DAC Senior Level Meeting, participants will be informed about the progress on the collaborative work on trade and development and invited to provide further guidance. The Director of the Trade Directorate, Mr Jean-Marie Metzger, will introduce the first draft of the Trade Directorate study [TD/TC/(2000)14 and ADD1].

Mr Metzger has proposed to us that the collaborative work could be discussed at a half-day brainstorming meeting among senior development and trade officials. This seems to be an idea that the DAC should welcome. The DAC Chairman has informally indicated his support. A suitable moment for such a meeting would be the afternoon of 24 April 2001, *i.e.* immediately after the Trade Committee meeting and before the DAC High Level Meeting.

The meeting would discuss all the building blocks of the present OECD work on trade and development. Participants could also address the requirements for an effective communication policy, including a strategy to reach out to non-members and civil society. If Members agree with this suggestion, a more detailed agenda setting out objectives and key products could be developed with the Trade Committee and the Development Centre and submitted for discussion and further guidance.

Yours sincerely,

Richard Carey
Acting Director