

A.Facilitating effective integration of developing countries in the global economy through aid for trade schemes

ECA, jointly with the ESCAP, the ECLAC, the ECE, and the ESCWA(\$975,300)

Background

1. The international community rightly expects that if trade could play its role as envisaged in Millennium Development Goal 8, there would be positive synergy with Millennium Development Goal 1, which aims at reducing the absolute number of people faced with hunger and poverty. In this respect, several global initiatives have been started which aim at helping developing countries better integrate into the global economy through trade. Among these initiatives, the Aid for Trade was launched in the context of the multilateral trade negotiations in December 2005. As an innovation, the Aid for Trade initiative was conceived not only to mainstream trade into the broader national development strategies of the beneficiary countries but also to deal with broad trade-related constraints ranging from trade policy and regulations to hard infrastructure for trade. Aid for Trade will also ensure country ownership, and help to improve the absorptive capacity of beneficiary countries by assisting them in the development of appropriate Aid for Trade project proposals and effective implementation mechanisms.
2. In 2007, the international community undertook the first global review of the Aid for Trade. The global review was supplemented by regional reviews that were carried out in Latin America, Asia and Africa. These reviews were jointly organized by the World Trade Organization, regional development banks and United Nations regional commissions. However, these reviews have not covered the low- and middle-income countries from Central and Western Asia nor economies in transition in Europe. In addition, some regional commissions were not associated with the process although they have an important role to play in the formulation and coordination of regional development strategies. In the regions where the reviews took place the priority areas were identified where Aid for Trade could have a positive impact and enable their economies to benefit from trade. Several critical issues emerged from the global Aid for Trade review, which must be addressed in order to ensure that the initiative could lead to the expected results which would help specifically ensure that developing countries, countries with economies in transition, and the least developed countries benefit from trade.
3. The key issue is clear development priorities and action plans, which were found absent in most countries of the regions where the global review took place. The regional dimension of the Aid for Trade requires that countries present priorities and action plans that take account of transboundary trade needs. Coordination at the regional level using the existing regional institutions is also important. Furthermore, Aid for Trade needs should be driven by a strong participation of the private sector, civil society and non-governmental organizations as agreed during the November 2007 global review that had taken place at the World Trade Organization.
4. The project endeavours to focus on three critical issues where the regional commissions play an important role: ensuring that the Aid for Trade initiative is inclusive; sharing knowledge and information on how the different regions are implementing and monitoring Aid for Trade; and developing global consensus on the identification of indicators that can be used to monitor Aid for Trade.

<p>Objective of the Organization: To strengthen the capacity of developing countries and countries with economies in transition to formulate and implement programmes and projects in the area of Aid for Trade at the national and regional levels.</p>	<p>Summary budget (Thousands of United States dollars)</p> <table border="0"> <tr> <td>General temporary assistance</td> <td style="text-align: right;">50.0</td> </tr> <tr> <td>Consultants</td> <td style="text-align: right;">121.0</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">120.0</td> </tr> <tr> <td>Contractual services</td> <td style="text-align: right;">89.3</td> </tr> <tr> <td>Workshops/training</td> <td style="text-align: right;"><u>595.0</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">975.3</td> </tr> </table>	General temporary assistance	50.0	Consultants	121.0	Travel	120.0	Contractual services	89.3	Workshops/training	<u>595.0</u>	Total	975.3
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<p>Relationship to the strategic framework for the period 2010-2011 and the Millennium Development Goals: ECA subprogramme 1 (Trade, finance and economic development), ESCAP subprogramme 2 (Trade and investment), ECLAC subprogramme 1 (Linkages with the global economy, regional integration and cooperation); ECE subprogramme 6 (Trade); ESCWA subprogramme 3 (Economic development and integration); Millennium Development Goals 1 and 8.</p>													

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Enhanced understanding by policymakers and other stakeholders of the Aid for Trade initiative and its impact on growth and development in order to implement and formulate project strategies to benefit from the initiative	(a) Increased number of specific Aid for Trade bankable projects submitted for funding
(b) Enhanced technical capacity and skills to formulate and implement Aid for Trade-related projects and programmes at the national, subregional and regional levels	(b) Adoption of simple and comparable indicators capturing supply, demand and performance components of Aid for Trade for monitoring purposes

Main activities

5. The main activities of the project will include:
 - (a) Organize five Aid for Trade capacity-building workshops on Aid for Trade strategy, action plan and preparation of bankable projects (one in each region) to help countries or groups of countries to identify bankable Aid for Trade projects;
 - (b) Organize five Expert Group Meetings (one in each region) on the development of appropriate indicators for monitoring Aid for Trade implementation;
 - (c) Organize one interregional forum to share examples and lessons learned aimed at assisting countries in the identification of Aid for Trade projects

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Implementing entities: ECA with ECLAC, ESCWA, ECE, and ESCAP

Duration: 2010 – 2014

Objective: To strengthen the capacity of developing countries and countries with economies in transition to formulate and implement programmes and projects in the area of Aid for Trade at regional and national levels.

Summary budget (Thousands of United States dollars)	Detailed budget (US dollars)	
GTA 50.0	General Temporary Assistance Temporary assistance (in support of activities (a), (b), and (c)) (10 months x \$5000 per month)	50 000
Consultants 121.0	Consultants International consultants for preparing Aid for Trade action plans for each region and technical papers on indicators for monitoring Aid for Trade implementation (in support of activities (a) and (b)) (10 work months x \$6,000 per month), (consultant travel of \$4100 x 10) and (external project evaluation 2% of project total \$20,000)	121 000
Travel 120.0	Contractual services Translation and publication of documents (in support of activities (a), (b) and (c)). Each RC has at least 2 official working languages. For full regional dissemination purposes, it is important to have translations of outcome documents of these workshops. (\$11,000 per region) Contractual services in support of all activities (\$34,300)	55 000 34 300
Contractual services 89.3	Travel Organization and coordination of the capacity building workshops (in support of activity (a)), one in each region, the expert group meetings (in support of activity (b)), one in each region, and the inter-regional forum (in support of activity (c)) = (\$6,000 per person) x (20 persons travel in total)	120 000
Workshops/training <u>595.0</u>	Seminars and Workshops Aid for Trade Review meeting: 5 regional Aid for Trade review meetings, one in each region (in support of activity (a)) (\$3,500 per participant) x (70 participants).(\$245,000)	245 000
Total 975.3	Expert Group meetings: 5 Expert Group meetings, one in each region (in support of activity (b)) (\$3,500 per participant) x (70 participants) (\$245,000)	245 000
	Inter-regional forum to share examples on Aid for Trade projects: 1 inter-regional forum (in support of activity (c)) (\$3,500 per participant) x (30 participants) (\$105,000)	105 000