

Chapter 3

Building public sector capacities

Strengthening the capacities of the public sector in developing countries helps to promote their participation and integration into the increasingly complex international and regional trading systems. The 108 case stories in this chapter include programs that assist countries to adjust to trade liberalization and trade reform; technical assistance programmes to mainstream trade in development strategies; and training programs for government officials in trade policy.

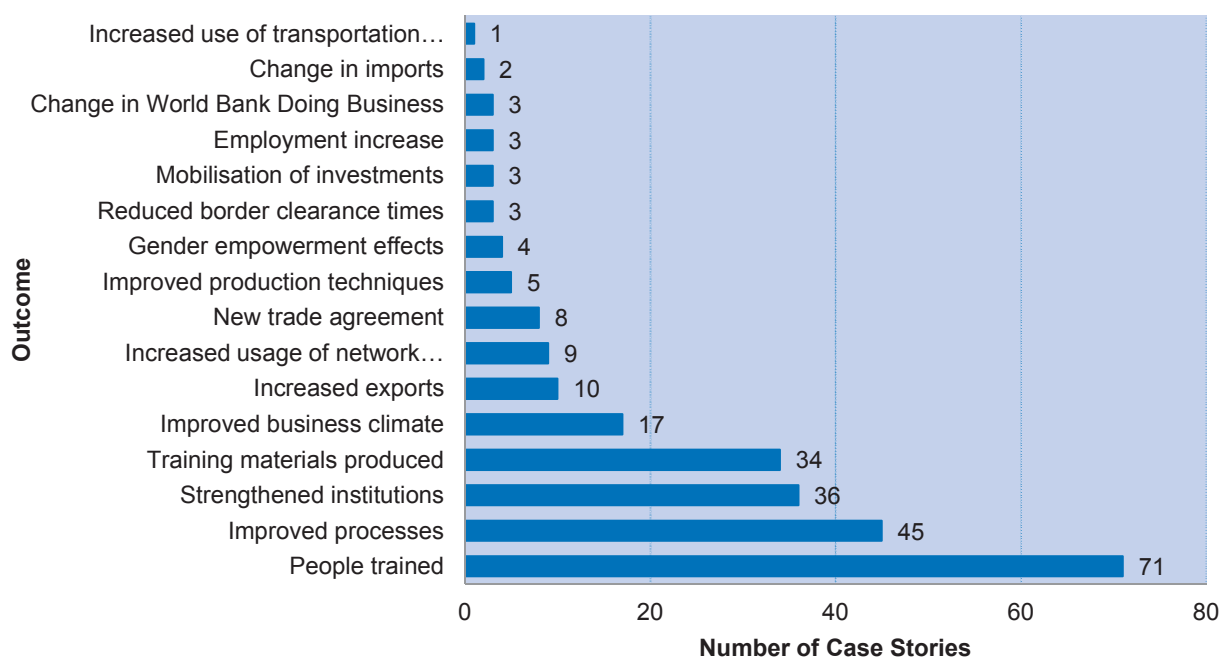
Executive summary

Developing countries integrating in the global economy need institutional and human capacities. Actively participating in the multilateral trading system also requires institutional capacities to implement coherent trade policies, as well as human capacities to identify the country's needs and design policy accordingly. The economic literature emphasises that the overall policy environment is crucial if trade openness is to provide long-term beneficial effects (Winters, 2004). Sound macro and fiscal policies (Baldwin, 2004), policies that incentivise private investment (Winters, 2004; Freund and Bolaky, 2008) and policies that promote human capital accumulation give trade policies more impetus. "Supporting compatible and complementary policies will help aid for trade to reach its objective of using trade as a development tool" (OECD, 2012).

This chapter covers case stories that deal with improving policy and building human capacity in the public sector. The first section concerns programmes and projects that assist countries to adjust to trade liberalisation or regulatory reform, but which leave domestic production vulnerable to international competition; technical assistance to better integrate trade policies in national development strategies; and programmes and projects that help developing countries comply with international standards for products and labour. The second section includes case stories that discuss initiatives to strengthen human capacity in the public sector by providing training on trade-related topics and on research for government officials, as well as building skills to implement and negotiate trade policies effectively.

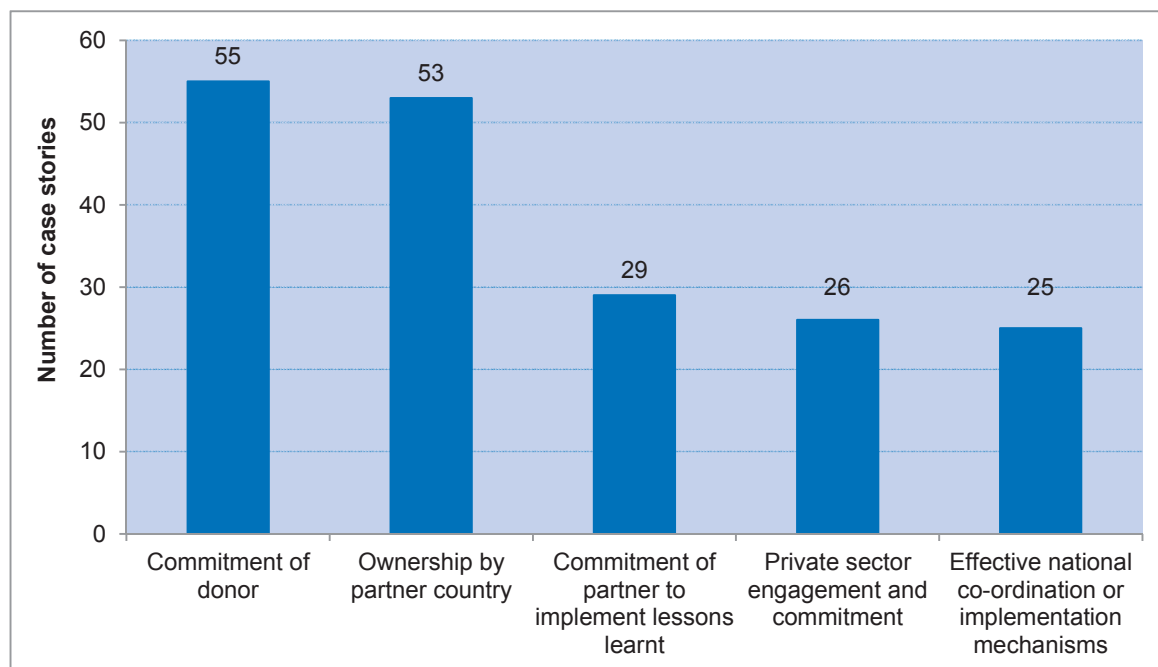
This chapter covers the largest number of case stories, with 108 classified under efforts to improve policy (institutional capacity) or build human capacity. The most common results of the programmes and projects covered in the case stories include regulatory reform that improved the business environment and spurs investment; and the successful training of government officials, e.g. so they could participate effectively in fairly technical multilateral talks, such as those on standards and technical regulations, and help move their countries towards greater regional or international harmonisation in these fields. One specific benefit of such training has been its contribution to easing trade through the creation of local certification and accreditation systems.

Figure 3.1 lists the outcomes mentioned most often in the case stories on building public sector capacities. It shows that 71 of the 108 case stories report that these programmes and projects resulted in increased capacity through training, which led in 45 cases to improved trade-related processes and in 36 cases to strengthened institutions. Some case stories also reported an improved business climate and increased exports as outcomes of capacity-building initiatives. Results in the area of reduced clearance time at the border, mobilisation of investment, employment increases, or change in imports were mentioned less frequently.

Figure 3.1 Outcomes reported most often in the case stories on public sector capacity building

Initiatives to build public sector capacities are highly dependent on national ownership to ensure results. This is especially true for those that focus on policy reforms. The case stories also highlighted the importance of involving all stakeholders in the design and implementation of a programme or project in order to take account of the views of as many people as possible when formulating policy.

Figure 3.2 The most frequently cited success factors in the case stories on public sector capacity building were donor commitment and ownership by the partner country



Source: OECD/WTO (2011), Aid for Trade Case Story Database, www.oecd.org/aidfortrade/casestories.htm.

Furthermore, engaging broadly with private sector stakeholders and civil society and obtaining their engagement in the reform process ensures greater sustainability of the reform process. Private stakeholders might pursue the objectives of the reform agenda, while governments might change their policies more frequently.

Some results at a glance

Support for trade adjustment

Mauritius, with the support of the Agence Française de Développement (AFD) and the World Bank, undertook around 40 different policy reforms to address the phasing out of sugar quotas, the end of the Multi Fibre Arrangement (MFA) and rising oil prices. As a result, exports and foreign direct investment (FDI) increased and gross domestic product (GDP) grew from 1.5% in 2005 to over 5% in 2007-08. China, with the help of the Canadian International Development Agency (CIDA), developed a programme to help small farmers adapt to increased import competition as a result of Mauritius's accession to the WTO. This programme trained more than 20 000 farmers, agricultural extension workers and government officials in food safety and WTO rules.

Improving national development strategies

In Honduras, exports increased by 23% following implementation of the country's National Competitiveness Programme. Countries in Latin America are more active in international sanitary and phytosanitary (SPS) discussions because the Inter-American Institute for Cooperation in Agriculture (IICA), with support from the United States

Department of Agriculture (USDA), trained 230 experts from 32 countries. In Kenya, the Centre of Phytosanitary Excellence for Africa has trained officials from National Plant Protection Organizations (NPPOs) from seven countries on pest risk analysis

Raising product and labour standards

A USAID funded programme resulted in the training of 4 300 people in the public and private sectors in Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua on SPS measures. In Niger, the UN Industrial Development Organization (UNIDO) implemented an EU funded programme to certify two laboratories and five firms in order to support SPS compliance. UNIDO also implemented a project to establish the Egyptian Traceability Centre for Agro-Industrial Exports, which trained over 1 500 people to conform with international food quality and safety standards. In Pakistan and Sri Lanka, 18 and 7 laboratories, respectively, attained international accreditation after receiving technical assistance. Results included higher revenues for the laboratories and an increase in the number of local firms receiving international standards certification.

Enhancing knowledge and capacities in the public sector

The Eastern and Southern African Management Institute and Lund University in Sweden, financed by the Swedish International Development Cooperation Agency (SIDA), provide vocational and university training to about 300 government and private sector representatives from least developed countries (LDCs) annually. Honduran officials have enhanced their active participation in the WTO following training of the country's officials in negotiation strategy by UNCTAD. Since 1996, the Singapore Cooperation Programme has trained more than 70 000 government officials from 169 developing countries.

Improving capacities to enforce intellectual property rights

In Viet Nam, the Swiss government provided assistance to establish an intellectual property regime compliant with trade-related aspects of intellectual property rights (TRIPs). Training of 240 enforcement officials was associated with accelerated IPR enforcement and raids to shut down violators.

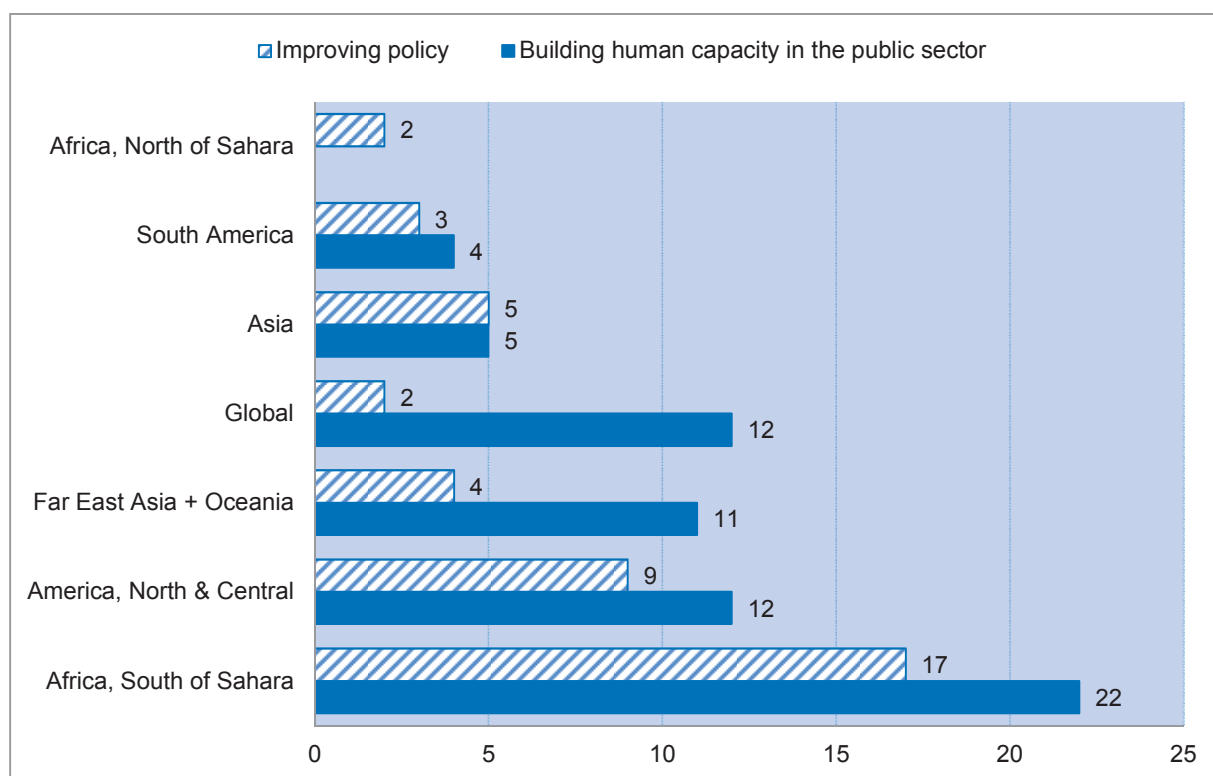
Introduction

The economic literature emphasises that the overall policy environment is essential to trade promotion – for increasing exports, importing more efficiently, or creating incentives for efficient import substitution. This theme runs through Winters' twin reviews of trade and poverty reduction and trade and growth (Winters, 2004; Winters, et al., 2004). and the OECD's extensive work on aid for trade (e.g. OECD, 2012). The consensus is that increasing a country's openness can lead to long-term economic growth if complemented with sound macro and fiscal policies (Baldwin, 2002; Winters, 2004). However, developing countries have scarce financial and human capacities to implement such policies. The challenges posed by the increasingly complex economic context and the growing number of regional, bilateral and multilateral trade agreements are often too demanding for developing countries with scarce financial, institutional and human capacities. The Aid for Trade Task Force recognised this when it emphasised the need for adjustment assistance to accompany the Doha Development Agenda (DDA).

The potentially important role that adjustment programmes can play in assisting workers and firms to move from pre-liberalisation uncompetitive sectors into post-liberalisation competitive sectors is a main focus of this chapter. This chapter contains the largest number of case stories and covers the two sub-categories of programmes and projects intended to support a more efficient public sector. Forty-two case stories reported on programmes and policies that support policy reform aimed at helping developing countries adjust to a new post-liberalisation environment, integrating trade policy into national development strategies in line with the country's needs, and, among other things, improving the country's standards and standard-making procedures so as to better comply with international practices and thus better integrate into the global economy. Sixty-six case stories dealt with building institutional and human capacities in the public sector. A significant portion covered efforts aimed at building the capacities of government officials to design effective policies; to represent their country's needs effectively and with improved skills for engaging in bilateral, regional and multilateral trade negotiations; and, finally, to implement policies in a sustainable and coherent manner.

Figure 3.3 shows the regional distribution of case stories regarding efforts to strengthen the public sector. Sub-Saharan Africa was the region most frequently covered, followed by North and Central America, Far East Asia and Oceania, and global coverage. Least developed countries (LDCs) were the subject of 28 case stories that covered single countries, while only 14 case stories covered lower middle income countries (LMICs). Partner countries submitted almost half the case stories in this category, followed by international organisations.

Figure 3.3 Geographical distribution of case stories on public sector capacity building

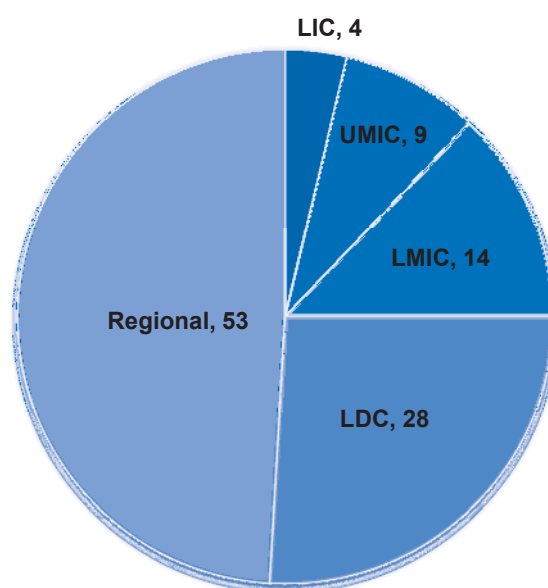


Source: OECD/WTO (2011), Aid for Trade Case Story Database, www.oecd.org/aidfortrade/casestories.htm.

The largest number of case stories concerning public sector capacity building covered regional programmes, many of them LDCs

As shown in Figure 3.4, almost half the case stories (53) on public sector capacity building initiatives concerned initiatives at the regional or multi-country level. Among the single-country case stories, least developed countries (LDCs) accounted for the largest number (28) followed by low and middle income countries (LMICs), upper middle income countries (UMICs) and low income countries (LICs). This ranking is consistent with the overall distribution of the case stories and with the category on trade facilitation.

Figure 3.4 Number of case stories on public sector capacity building by country income group



Source: OECD/WTO (2011), Aid for Trade Case Story Database, www.oecd.org/aidfortrade/casestories.htm.

Improving policy

Of the 269 case stories submitted, 42 focused primarily on programmes that sought to improve policies to promote trade. These case stories can be grouped in three general areas: (i) programmes and projects that supported *trade adjustment*; (ii) those that supported changes in national *development strategy*; and (iii) those that supported adherence to *standards*.

In all, 12 case stories described efforts to assist workers in markets affected by increased competition due to trade liberalisation. In most cases, these governments' programmes and projects were supported by donors whose companies were competing in liberalised markets; in some case programmes and projects were financed domestically by a developing country. The case stories show that these initiatives have helped generate support for trade liberalisation and import competition by assisting displaced workers to find alternative employment, or by helping domestic firms to be more competitive on

domestic and foreign markets. They also show that comprehensive programmes and projects are more successful.

Support for trade adjustment

The Mauritius case story involves archetypical “trade adjustment assistance”, as recommended by the Aid for Trade Task Force. By 2006 Mauritius was suffering from a triple shock – the phase-out of sugar quotas, the end of the Multi Fibre Arrangement (MFA) and rising oil prices – that had dramatically slowed its previous high growth. In response to a government request, the World Bank provided diagnostics work that helped to lay the analytical foundations for subsequent reforms (World Bank, 2006a). Subsequently, the government announced a major reform programme comprising some 40 different policy initiatives. These included, among others, a reduction of tariffs and the establishment of an Empowerment Programme to assist workers and firms during the adjustment period. In a co-finance arrangement with the Agence Française de Développement (AFD), the World Bank provided several budget support loans totalling USD 175 million. The case story reported that, as a result, FDI increased, exports expanded and economic growth rates rose from 1.5% in 2005 to over 5% in 2007-08 (before the “Great Recession” induced another slowdown in 2009). The case story also noted that despite repeated requests for assistance, donors did not provide concessional finance because of Mauritius’s status as a middle income country [Mauritius, 131].

To help China's agricultural sector adjust to international competition arising from its accession to the WTO, the Canadian International Development Agency (CIDA) worked with the Chinese government to develop a programme to help small farmers adapt to import competition. The five-year programme, launched in 2003 and funded with CAD 40 million, helped to train more than 20 000 farmers, agricultural extension workers and government officials in food safety and WTO rules. This was effectively a pilot programme that eventually led to follow-up programmes that are still being implemented in China [China, 89].

Private sector sugar producers in African, Caribbean and Pacific (ACP) countries were assisted by the Sugar Protocol Adjustment Measures Programme, funded by the EU, to adjust to the end of their preferential access to the European market. The programme aimed to help the private sector enhance the competitiveness of sugar and sugar cane production and to promote the economic diversification of sugar products [Caribbean, 31]. A case story from Antigua and Barbuda also referred to EU assistance to its rum producers and how these companies banded together, advocated a slower timetable for preference phase-outs, and invested in improving quality and product differentiation. In the end this programme helped the country’s exports [Caribbean, 200]. The Caribbean Community (CARICOM) Secretariat highlighted the Caribbean Rum Sector Programme, also funded by the EU. A main focus of the programme was helping producers to offer more higher-value, branded products through upgrading existing manufacturing plants as well as through better marketing and branding support activities. The programme resulted in the introduction on the EU market of 18 new brands from the region. Locally, there was a 140% increase in the number of tourists visiting rum production facilities compared with 2003. Although employment in the sector remained stable at 6 000 jobs, the number of women employed in rum production rose 20% from 2003 levels. The programme also generated USD 140 million in tax receipts for governments, a 40% increase over 2003 [Caribbean, 23]. However, Fiji submitted a case story on the EU’s refusal to disburse committed EU funds under the Adjustment Measure

programme because of the country's 2006 political crisis. The case story reports that Fiji's sugar industry has suffered subsequently [Fiji, 243].

Another EU sponsored programme aimed to assist Azerbaijani exporters to take full advantage of the generalized scheme of preferences (GSP), which was being underutilised in that country. Through training public officials on the workings of the GSP and improved dissemination of information to SMEs, this initiative led to 2 154 certificates of origin being issued on goods exported in the first quarter of 2010, including 233 for products included in the EU's GSP scheme. With such certifications the products can now benefit from preferential tariff rates under the GSP [Azerbaijan, 12].

Some case stories described the adjustment process after import tariffs and non-tariff barriers (NTBs) are cut. Costa Rica, for example, implemented an ambitious programme of trade opening which saw tariffs reduced from an average of 46.3% in 1982 to 16.8% in 1989 and then (after it joined GATT in 1990 and CAFTA in 2009) to just 5.87%. During this period, the government received external support from the IaDB, the Central American Bank of Economic Integration (CABEI), the UN Economic Commission for Latin America and the Caribbean (ECLAC), the UN Conference on Trade and Development (UNCTAD), the Organization of American States (OAS) and the WTO. This assistance took different forms, including training of trade negotiators, the acquisition of specialised hardware and software, and programmes for small rural farmers, SMEs, and officials in charge of scaling up standards and certification (to help Costa Rica participate in global supply chains). Building on its growing trade negotiation experience, Costa Rica entered into FTAs with 42 countries – with the result that more than 75% of the country's exports entered foreign markets under preferential agreements. This contributed to strong economic growth and the reduction of poverty by more than one-third (from 28.3% of the population in 1989 to 18.5% in 2009) [Costa Rica, 157]. In Southern Africa, a project financed by TradeMark Southern Africa was aimed at monitoring and subsequently eliminating NTBs. Although the online monitoring system was still in its initial phases, the project had already raised awareness of the negative effects of NTBs on trade and resulted in co-operation among member states to remove them [Africa, 142].

During the Doha Round, 102 countries substantially reduced their tariffs on environmental goods and services (EGS), with positive impacts on import growth. It has been estimated that a 5% tariff reduction was followed by an import increase of 78.9% [Global, 167]. The example of Costa Rica and the analysis of EGS tariffs highlight the positive effects that cutting tariffs can have on international trade. However, reducing import tariffs has the immediate effect of decreasing government revenues per imported product; such revenue reductions should be accounted for as adjustment costs. A case story submitted by the Overseas Development Institute (ODI) made the argument that aid for trade disbursements do not reflect the adjustment costs incurred by some regions in Africa, and that monitoring should therefore ensure that aid for trade commitments are more reflective of regional and national needs [Africa, 147].

A case story submitted by TradeMark Southern Africa described COMESA-EAC-SADC efforts to create an FTA that encompassed existing regional agreements, with the objective of facilitating adjustments to the multiple engagements to which member countries of all three RECs are bound. The challenge is that many countries belong to multiple RECs and find it hard to implement different policy commitments which, at times, could be contradictory. The main objectives of the larger FTA envisaged by the Tripartite included eliminating tariffs and NTBs; harmonising rules of origin, intellectual

property rights and standards and technical requirements (e.g. SPS); enhancing trade in services; and developing an effective trade dispute settlement process [Africa, 49].

Improving national development strategies

Experience has shown that trade reforms do not always deliver expected economic growth and poverty reduction benefits. OECD (2012) has argued that the impact of trade reforms on both trade and economic growth will depend on compatible and complementary policies. First, compatible policies such as an appropriate macroeconomic environment are needed to reduce the risk of policy reversal and make trade reform sustainable. Second, it is necessary to take steps so that firms can take advantage of new price incentives: steps such as building infrastructure, supporting financial and banking sector development, building public and private sector capacities, and undertaking regulatory reform.

The case stories provided many examples of national regulatory reforms supported by donors and partner countries under the umbrella of aid for trade:

- In Ghana, the Private Sector Development Strategy (PSDS) aimed to stabilise the macroeconomic environment by strengthening the financial sector, introducing new business registration procedures, developing infrastructure, and reforming the public sector, the legal system, and land and property rights. The programme resulted in several procedural improvements that appear to have lowered the costs of doing business and expanded trade [Ghana, 65]. Fiji’s Trade Policy Framework was expected to provide a comprehensive policy and regulatory guideline for that country’s trade and economic development policy, aligned with the overall national strategy [Fiji, 244].
- In Kenya, the Business Regulatory Reform Unit was created to oversee business licenses, fees and user charges. This entity, complemented by the elimination of burdensome bureaucratic requirements and increased dissemination of information for the private sector, led to “gains... in FDI flows, growth in local investments and business start-ups...growth in employment...and more efficient delivery of public services” [Kenya, 17]. Although not at such an advanced state as Kenya in this regard, Cape Verde has also started business regulation reform, likewise leading to increases in FDI [Cape Verde, 222].
- In Tanzania, Business Sector Program Support (BSPS) integrates three components to facilitate business and trade: reducing the costs of and simplifying doing business; building human and institutional capacity to enhance the country’s access to international markets (including trade negotiations); and facilitating access to financing for SMEs. Results include greater participation in negotiations and increased awareness of international trade policy; however, it is not clear what results have been achieved so far regarding export capabilities [Tanzania, 248].

Regulatory reforms with a focus on increasing competitiveness were also common, and some had tangible results.

- For example, Peru’s National Strategy for Trade Capacity Building (ENFCC) led to the reduction of tariffs from an average of 66% to 3.4%, and all forms of para-tariff restrictions on imports of goods were eliminated. Customs procedures were simplified and the state monopoly on food imports was liberalised. Peru held first place among

Latin American countries in the World Bank's *Doing Business 2011* report, ranking 36th overall in 2010 compared with 56th in 2009 [Peru, 137].

- Guyana launched its National Competitiveness Strategy (NCS), which included the Trade Transactions Public Private Dialogue Body, the Total Revenue Integrated Processing System (TRIPS) and the Single Window Automated Processing System (SWAPS) for Trade Transactions. Guyana was ranked 100th in the World Bank's *Doing Business 2011* report, compared with 113th in 2009 [Guyana, 245].
- Honduras presented its National Competitiveness Programme, *Honduras Compite*, which illustrated its efforts to translate the success of its textiles and apparel industry to other sectors of the economy. The main goals were to improve general productivity, improve the country's FTA benefits, and prepare key sectors to take advantage of regional integration strategies such as the Mesoamerica Project mentioned above. Results included effective strategic advice and training for Honduran officials involved in trade negotiations, reduced transaction costs through simplified administrative procedures for SMEs, security certification so that a major port could easily export to the United States, and quality certification of 30 companies through technical assistance. The programme also created awareness among participating SMEs of the value of customer preferences. During its effective period, Honduran exports increased by about 23%, with some products such as coffee experiencing an increase of up to 30% [Honduras, 247].
- In Jamaica, the National Export Strategy focused on the key export sectors: food and beverages, coffee, education, entertainment services, information technologies, fashion and minerals. No results were given in the case story, as most of the initiatives had yet to be implemented [Jamaica, 143].
- Several donors, including the UN Development Programme (UNDP) and the WTO, had supported Madagascar's trade capacity strengthening programme since 2003. This resulted in a more comprehensive trade policy that better reflected Madagascar's interests [Madagascar, 255].

Raising product and labour standards

Meeting international standards can create major barriers for exporters, particularly in low-income countries. The numerous case stories describing programmes to address this challenge therefore provide valuable lessons for future programmes. For example, a case story submitted by the Inter-American Institute for Cooperation on Agriculture (IICA) illustrated how the IICA helps developing countries improve their health and food safety systems, and thus expand their export possibilities, by providing all-round support from technical capacity building to the provision of financial and human resources, facilitation of contacts with the private sector, and easing access to markets for farmers [Latin America, 253]. Another example of a large-scale programme, submitted by the PTB,¹ was support for the creation of Quality Infrastructure (QI) in East Africa that would allow local producers to receive metrology certification for their produce in compliance with international standards. Two important lessons drawn from this programme are the need for strong national and regional ownership, and the need for commitment by recipient governments to make the medium- to long-term investments required for successful QI. Another lesson that emerged from the case studies is the need, as in Egypt, to have local

staff with strong technical skills that provide continual support in regard to the sometimes very technical aspects of standard certification [Egypt, 159].

Overall, the case stories dealt with both product standards and labour standards. Of the 16 case stories concerning product standards, 10 focused on helping developing countries comply with sanitary and phytosanitary (SPS) measures. SPS measures have become an increasingly important topic in trade literature. De Frahan and Vancauteran (2006), Gebrehiwet et al. (2007) and Anders and Caswell (2009), to mention a few, found that these measures have a negative effect on trade, as they often impose requirements that are difficult for developing countries to meet. Moreover, Disdier et al (2008) found that SPS measures significantly reduced exports from developing countries to OECD countries while having no effect on intra-OECD trade. Assisting developing countries to comply with SPS measures, and thus to be able to enter developed markets, is important, especially since agriculture tends to be a major source of exports for developing countries.

Health and safety standards

The Inter-American Institute for Cooperation on Agriculture (IICA) in Latin America provided good examples of ways that donor assistance can be used to promote compliance with international agricultural standards and expand exports. With support from the United States Department of Agriculture (USDA), the IICA developed a five-year project, supplemented by WTO training courses, to encourage discussions on standards prior to each SPS meeting in Geneva. The project trained 230 experts from 32 countries during a series of 19 meetings between 2002 and 2008. It also supported the creation of national SPS committees in Latin American countries. The case story describes the project as a success, as Latin American countries are now able to play a bigger role in the SPS Committee at the WTO and to defend their interests more actively. IICA also put together Performance, Vision and Strategy (PVS) tools to help countries improve their national agricultural health and food services, improve compliance with SPS measures, create a common vision for public and private stakeholders in regard to their performance, and facilitate strategic planning. The major PVS components are technical capacity building, human and financial resources, interaction with the public and private sectors, and improving access to markets. The case story is optimistic about the results, in that the PVS tools have been applied in a number of Latin American countries. Countries have modernised their systems and designed specific strategies to address shortcomings [Latin America, 253].

The IICA also strives to consolidate the active participation of Latin American countries in the SPS Committee and help them make progress with implementation of the WTO/SPS Agreement. In all, 28 of the 34 IICA member countries participated in this project, which focused on preparing national agendas for SPS measures and then implementing four regional sub-projects in the Andean, Caribbean, Central American and South American regions. The project resulted in numerous training activities at the national and regional level, as well as in the production of operation manuals for national Codex and SPS committees [Latin America, 252]. According to one case story, the biggest obstacle to the success of this project was political influence that channelled human, institutional and financial resources away from SPS-related issues since these issues were not considered “important” enough [Latin America, 251].

The case stories provided many examples of programmes that train government officials on health and agricultural standards. The Caribbean Community (CARICOM)

established the Caribbean Agricultural Health and Food Safety Agency (CAHFSA) and a regional SPS regime to help member countries strengthen and co-ordinate their agricultural health and safety systems by training officials. More than 100 officials were trained over five years in specific pest surveillance, identification and diagnostics [Caribbean, 24]. In Kenya, the Centre of Phytosanitary Excellence for Africa (COPE) regularly hosts workshops on phytosanitary regulation to improve national phytosanitary quality controls and increase the ability of African countries to compete in international markets by meeting international phytosanitary standards. The project has trained officials of National Plant Protection Organizations (NPPOs) from seven countries on pest risk analysis (PRA) and has created a PRA regional network [Africa, 92].

The German Agency for International Cooperation (GIZ), partnered with the EAC, has been implementing a project called “Establishment of a Regional Quality Infrastructure in the East African Community” that began in 2004 and runs until 2013. This project seeks to improve the Regional Quality Infrastructure (RQI) system in East Africa. The first phase consisted in laying out the legal framework that allowed the passage of the Standards, Quality, Metrology and Testing (SQMT) Act, which provides for harmonisation of standards in the region, mutual recognition of conformity assessments and quality marks, the establishment of testing laboratories, and the implementation of technical regulations. The project then provided technical assistance and human capacity building to support implementation of the SQMT Act. The results are promising: more than a thousand standards have been harmonised, accreditation services have been improved, all metrology laboratories in the EAC have been improved, linkages with international accreditation and standards bodies have been established, and intra-regional trade has ultimately benefitted, as shown by an impact study. A key factor of success was strong ownership on the part of the EAC [East Africa, 66].

The Southern African Confederation of Agricultural Unions (SACAU) supports the Southern Africa Development Community (SADC) by preparing delegates from member countries to attend conferences in international standards-setting bodies such as the Commission on Phytosanitary Measures (CPM) in Rome. This project seeks not only to sponsor delegates’ trips to attend meetings, but also to prepare officials before the meetings on technical and scientific issues relevant to the CPM. This initiative has been a success, in that SADC members have been participating increasingly in the CPM and are aware of its workings. This should translate into better compliance with standards in their countries. However, more work remains to be done. As the case story mentioned, this project had only been active for four years [Southern Africa, 204].

The United States funded and implemented a programme to assist five Central American countries (Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua) to comply with US and international SPS standards. This programme’s implementation resulted in the training of 4 300 people in the public and private sectors in these countries [Central America, 223]. Chile provided funds through the OAS to contribute to strengthening the technical capabilities of officials responsible for the design and management of SPS systems in CARICOM countries. A capacity building strategy was developed, focusing on border inspection systems, laboratory systems, and procedures for inter-institutional co-operation among all agencies involved in animal and plant health and food safety. The project was considered to have been successful in strengthening the capabilities of CARICOM officials in charge of SPS issues [Caribbean, 169].

The Australia Fumigation Accreditation Scheme (AFAS) provided assistance directly to producers in India, Indonesia, Malaysia, Papua New Guinea, the Philippines and Thailand on quarantine risks at source. This project led to a significant reduction in the number of failed fumigations and facilitated cost reduction through increased surety of border clearance. It is estimated that USD 4.6 million was saved in re-treatment costs [Indonesia, 151]. Similarly, the Quality Support Export Diversification Programme funded by the European Union in Bangladesh aimed to increase the awareness of exporters, especially SMEs, concerning standards and conformity assessments for export markets in line with the WTO SPS and technical barriers to trade (TBT) agreements [Bangladesh, 208]. An important area in regard to such efforts has been improving the understanding of packing requirements, the lack of which had led to Benin's exclusion from the EU market in fisheries products in 2002. Belgium subsequently financed a project that allowed Benin to improve packing and harvesting standards in the fisheries sector and to re-enter the EU market [Benin, 14].

Meeting specific food and safety standards might have been considered a “niche” market a decade ago, but today it is becoming more mainstream, offering exporters that comply with such standards the potential for significant growth and product differentiation. For example, certified-organic exports from Uganda increased from USD 10 million in 2004-05 to USD 37 million in 2009-10 [East Africa, 102]. Developing and reinforcing organic production is not only a way to enter new markets with strict regulation. It is also important for protection of the environment in developing countries. The UN Environment Programme (UNEP) submitted a case story on the adoption of the East African Organic Products Standard (EAOPS) as the official standard for organic agricultural products in the region. The development and adoption of this standard has assisted in promoting organic production in East Africa and has served as a model for the development of other regional standards [East Africa, 61].

Setting up test laboratories

Setting up laboratories to perform quality checks is another approach aimed at improve developing countries' trade by meeting international standards.

- In Morocco, Spain supported a project to support the Technical Industrial Centres of the industrial complex of Sidi Maarouf, which included quality certification laboratories [Morocco, 179].
- In Niger, UNIDO implemented a programme, funded by the EUnion, to ensure that exports were meeting international SPS standards. Two laboratories and five firms received international certifications. An onion producer set up a system of traceability, and a metrology laboratory was installed to accompany a system of quality management [Niger, 83].
- In Egypt, UNIDO implemented a project to establish the Egyptian Traceability Centre for Agro-Industrial Exports. The four-year project trained over 1 500 farmers, food producers and packing houses on the implementation of traceability schemes that conformed to international food quality and safety standards [Egypt, 159].
- In Gambia, UNIDO assisted in the establishment of a National Standards Bureau to oversee national SPS and Codex standards for edible oil, labelling and advertising. It was also nearing completion of the refurbishment of a metrological laboratory.

Moreover, this project facilitated creation of the legal instruments to establish the National Standards Bureau [Gambia, 45].

- In Pakistan and Sri Lanka, UNIDO, with funding from the Norwegian Agency for Development Cooperation (NORAD) and the EU, helped 18 and 7 laboratories, respectively, to attain international accreditation and provide conformity assessments at lower costs. The success was evident: in Sri Lanka, the number of companies seeking accreditation from the laboratories grew by 72% between 2002 and 2009, while the laboratories' income increased significantly due to the increase in the number of customers. The laboratories also made a significant contribution to the impressive rise in fishery exports from both Pakistan and Sri Lanka [Pakistan, 115].
- Reinforcing these efforts, the Quality Infrastructure Development programme financed by the Swedish International Development Agency (SIDA) focused on aligning the regulatory and quality infrastructure in Sri Lanka with WTO and EU requirements. The project had impressive and fast results: the Sri Lanka Accreditation Board for Conformity Assessment (SLAB) received international accreditation from two major accreditation bodies (Mutual Recognition Arrangements of the Asia Pacific Laboratory Accreditation Cooperation [APLAC] and International Laboratory Accreditation Cooperation [ILAC]) before the project was even finished. The project provided technical assistance to more than 30 laboratories, which was more than expected, and the SLAB now has more than 75 trained assessors [Sri Lanka, 91].

To improve both product quality and market access, a standards-setting process must involve businesses as well as public officials. One lesson from ITC's Ethiopian Coffee Improvement Project was the importance of involving international buyers in the project's design. Their direct knowledge of export markets proved invaluable in designing effective interventions that led to the establishment of seven quality-testing laboratories [Ethiopia, 75].

Monitoring labour standards

In Cambodia, the World Bank's International Finance Corporation (IFC) joined with the International Labour Organization (ILO) to launch a programme called "Better Factories Cambodia" (BFC). Better labour standards attract reputation-conscious buyers who can turn to the BFC for monitoring results for a given factory. Using the BFC's factory-level data, Oka (2009) found that having at least one reputation-conscious buyer encourages factories to improve compliance. Other studies have shown that during the recent downturn, factories participating in the BFC programme (and similar certification programmes in other countries) suffered fewer order cancellations than non-participating factories. The BFC's monitoring mechanism involves unannounced factory inspection visits to ensure that working conditions (e.g. emergency exits, lavatory facilities, hours worked) meet approved labour standards. Moreover, by sharing supervision efforts, multinational companies and local inspections were able to consolidate their inspections and audits, all of which had the imprimatur of the IFC and the ILO. The programme was supplemented by training of supervisors and by an information management system to monitor working conditions. It is widely viewed as a success, improving not only working conditions but also productivity, as absenteeism and worker turnover rates have declined [Cambodia, 126].

Leveraging private standards

One emerging area of concern for developing countries is the way private standards increasingly impact trade flows. Their main critique of private standards is that, while not strictly mandatory, they effectively limit the potential exports of developing countries by imposing costs and challenges that harm small farmers, in particular (Dinham, 2003; Trienekens and Zuurbier, 2008; Narrod et al., 2009). Others, however, have pointed out that the incentive of being able to access larger markets through contracts with large retail stores improves farming prospects and practices in developing countries, which is beneficial in the long run (Jaffee and Masakure, 2005; Will, 2011). Large importing retailers or their associations often set these standards, whose relationship to national governmental measures is ambiguous. In 2008, UNIDO launched a forum to discuss these emerging standards involving private producers, governments and stakeholders. Sponsored by Norway, this dialogue eventually led to a guide, *Making Private Standards Work for You*, that shed light on a range of standards in three labour-intensive sectors (garments, footwear and furniture) of particular concern to developing countries [Global, 112].

Building human capacity in the public sector

Programmes that provided technical assistance to build government capacity in the fields of human and institutional resources figured prominently in the case story submissions. Almost one-quarter of the case stories (66) included descriptions of improvements in specific capacities at the country level. These included aid for trade for technical assistance and capacity building designed to improve skills for trade policy formulation, trade administration, negotiation and implementation of trade-related issues, and better business regulation.

The largest number of case stories about technical assistance involved countries in Sub-Saharan Africa, although there were also case stories from Cambodia, the Caribbean, and Comoros. While this category covered the most diverse activities, the case stories tended to cluster around three types of technical assistance projects.

- One cluster involved efforts at the global, regional, and country level to *enhance knowledge and capacities* to integrate trade policies into broader development strategies.
- A second cluster involved government assistance *to improve trade policy formulation* or to help with trade negotiations.
- A third cluster concerned efforts to help governments understand and implement specific trade-related laws and regulations, including new intellectual property regimes.

Projects to enhance knowledge and capacities

The Enhanced Integrated Framework (EIF)

The Enhanced Integrated Framework (EIF) was mentioned in 31 case stories, reflecting its importance as one of the most ambitious international programmes to build capacity for formulating and implementing trade policy. Created in 2007 out of earlier efforts to strengthen trade management capacities in LDCs, the EIF has its own

secretariat and a multi-donor trust fund. These resources are put at the disposal of LDC governments to remedy shortcomings in technical staff and to finance small “seed” projects of their choosing. The programme also contributes to financing Diagnostic Trade Integration Studies (DTISs), which were started in 2001 to provide a comprehensive analysis of obstacles to the LDCs’ integration into the global economy. These studies highlight technical assistance needs, around which donor support can be mobilised. Several of the case stories specifically mention experience with EIF-sponsored activities to improve the design of their trade policy.

Lesotho [150] described the ongoing effort to deal with the enormous trade problems it confronts, including being landlocked, being dependent on a single industry (i.e. garments), and having limited technical capacity. The EIF-assisted effort was essential to help Lesotho access aid for trade, as previously most donor support was directed towards the social sector at the expense of investments in potential sources of growth, many of them trade-related.

Zambia’s case story [154] reports on the long (and at times bumpy) road to implementing a consistent trade strategy with the support of the EIF and its predecessor. The country’s DTIS was validated by donors and government officials in July 2005, but because of insufficient stakeholder consultations, including within the government, the document was not approved until the following year. Implementation was further complicated by staff turnovers and limited technical expertise in the donor community – combined with the key implementing agency’s limited capacity to carry out the reforms and projects suggested in the DTIS. Despite these difficulties, the EIF “achieved some notable results in Zambia”. Raising awareness of the importance of trade to growth led to the inclusion of trade in Zambia’s National Development Strategy and Poverty Reduction Strategy. It helped to introduce efficiencies in the economy and to mobilise additional donor resources; it also became the main mechanism through which Zambia accessed additional aid for trade resources and built productive partnerships with donor and NGO groups. This was demonstrated by Zambia’s partnership with CUTS International, and the Finnish government, to identify new potential for economic diversification, promote awareness of trade opportunities through workshops, and identify supply-side constraints (such as infrastructure) that the government could redress with donor support [Zambia, 180].

Malawi’s experience with the Integrated Framework (the predecessor of the EIF) has matured, but not without significant challenges and valuable lessons learned. The case story authors cited lack of government ownership in the process, inadequate funding, and lack of integration with national strategy as key factors that worked against the success of the programme. Especially important was the involvement of the Malawi government in the identification of needs and challenges. Results included the identification of supply-side constraints; the inclusion of trade policy within a more general framework of national policies; and improved data collection for customs and revenue through technical training for officials of the Malawi Revenue Authority (MRA) and the National Statistical Office. However, the authors of the case story mention that important projects identified in the Action Matrix were not addressed due to scarce financial resources [Malawi, 161].

In Nepal, capacity building provided within the EIF led to the creation of institutional structures that are now fully active: the National Steering Committee, the EIF Focal Point unit, the National Implementation Unit and the Inter-Ministerial Committees. Increased capacities have strengthened public-private co-ordination mechanisms, enhanced

ownership of the trade development agenda, and allowed a promising initial phase of implementation of the Nepal Trade Integration Strategy [Nepal, 269].

The Democratic Republic of the Congo also presented a case story on implementation of the EIF. It showed the steps taken in implementing the recommendation and action matrix contained in the DTIS, which was validated in July 2010. The government was confident that the EIF programme would have positive results in terms of export promotion, competitiveness and market opening, with positive spillover effects on wealth creation and poverty reduction [Congo DR, 36].

Individual donors also provided technical assistance to trade officials in developing countries

There were examples of individual governments providing assistance for building human capacity and knowledge. The Chinese government assisted Lao PDR in preparing its Overall Plan for Comprehensive Development of the Northern Area in Laos. This plan consisted in having Chinese experts assist Lao PDR officials in formulating seven development documents to provide the basis for seeking international aid and attracting FDI [Lao, 109]. In a similar fashion, Japan assisted Cambodia in formulating a master plan for strengthening investment promotion data collection and dissemination and transfer of knowledge [Cambodia, 78]. Also in Cambodia, the Republic of Korea provided assistance that included joint research on key related topics, human capacity building and provision of equipment. The aim of this assistance was to build capacity to enhance both Cambodia's implementation of its commitments to the WTO and its integration in the ASEAN free trade area. Training was given to government officials working on trade of both goods and services. Although no results were explicitly mentioned, the case story considered the project a success [Cambodia, 79].

Trinidad and Tobago submitted a case story on its Services Trade Mission to Guadeloupe and Martinique. Its purpose was to allow officials of different government departments of Trinidad and Tobago to share expertise and information with their counterparts in Guadeloupe and Martinique. One of the main conclusions was that for Trinidad and Tobago to benefit from more aid for trade funds, it must improve the skills of its officials in project management to better prepare project proposals to potential donors [Trinidad and Tobago, 188].

The Czech Republic submitted a case story on government efforts to support officials in the Republic of Moldova in encouraging SMEs through the development of economic clusters. The project was well received by the Moldovan authorities, who showed an interest in establishing further contacts with Czech business entrepreneurs and experts to share their experience in economic clustering [Moldova, 35].

Region-wide efforts to increase knowledge on trade policy

In addition to efforts at the national level, regional capacity building projects were common in the case stories. One of the most ambitious training programmes arose from a 2006 joint venture between the Eastern and Southern African Management Institute and Lund University in Sweden, financed by SIDA, to provide sustained vocational and university education for African policy makers, particularly those from LDCs. Some 300 government and private sector representatives have been trained annually since the programme was launched. In 2010 alone, 617 participants were enrolled [Africa, 95]. Spain reported on its capacity building and training activities carried out in support of EIF countries. Participants from a list of priority countries were trained to act as focal points

in the EIF development programmes [Global, 191]. Another case story described the OAS-sponsored programme for a Masters in International Trade Policy (MITP) in Barbados, offering a comprehensive course on trade policy theory and practice in the context of the Caribbean. Although the course was designed to build the skills of government officials, especially those involved in trade negotiations, the MITP has also led the way for certificate courses on trade policy for private sector representatives in the region. The programme is deemed a success, with increasing applicants as well as requests from other countries for assistance in developing similar programs (e.g. Colombia) [Latin America, 84]. Also in Latin America, the CIDA funded Trade Capacity Building Programme for the Implementation and Administration of Trade Agreements is training 500 government officials in trade policy and is helping to strengthen institutions responsible for trade policy design and management in Latin American and Caribbean countries [Latin America, 168].

In South East Asia, similar training programmes are under way. The International Monetary Fund-Singapore Regional Training Institute is a joint venture training officials in the region in macroeconomic and financial management and related legal and statistical issues. Since its establishment in 1998, it has provided over 200 courses for more than 8 000 officials from the Asia-Pacific region [Asia and Pacific, 261]. Singapore also submitted a case story on its continued efforts to build trade-related capacity for government officials around the world under the Singapore Cooperation Programme (SCP). Since 1996 the SCP has worked with the WTO on the Third Country Training Programme (TCTP), which runs about three capacity building programmes annually for countries in the Asia-Pacific region on topics such as TRIPS. The SCP capacity building programmes go beyond the Asia-Pacific region, with programmes in ASEAN countries on the Doha negotiations and in Latin America on airport and port management operations. Since its establishment in 1992, SCP has trained more than 70 000 government officials from 169 developing countries [Global, 263]. In partnership with the National University of Singapore and the WTO, annual three-month courses were organised between 2007 and 2010 on regional trade policy for senior officials from LDCs in the Asia-Pacific region [Global, 262].

The UN Economic and Social Commission for Western Asia (ESCWA) submitted two case stories [234 and 235] on strengthening the capacities of its members' civil servants of its members:² the first deals with training officials to negotiate bilateral investment treaties, and the second refers to a programme that trains officials to compile, disseminate and analyse data on FDI. In the first case study, about 50 government officials from Jordan and Syria were trained on issues concerning bilateral investment treaties. Some had never received such training. No results were given, as the case story the project was still under way at the time of writing. In the case study on data on FDI and its dissemination, encouraging results include the fact that numerous ECSWA members have adopted the software developed by the programme and are beginning to record data. In addition to providing the software, the programme held nine national training workshops for data collection officers with 280 participants. Separately, policy makers from SADC are receiving training sessions on how to mainstream gender into trade policy effectively. Customs officials have also been made aware of the vulnerability of informal cross-border traders, who are mostly women [Southern Africa, 55].

Making knowledge available

At the global level, several case stories showcased efforts to mobilise information for the use of developing countries. For example, the International Trade Center (ITC)

described its efforts to provide data on market access for developing country exporters, including data on tariff and non-tariff barriers in major markets. Launched in 1999 at a cost of USD 22 million, the ITC's Trade Map and Market Access Maps now boast some 130 000 users. Originally a subscription service, the ITC began offering these tools at no cost in 2008 to allow the widest possible number of developing country users to better formulate negotiating positions and to seek new export opportunities [Global, 73]. Another example of a globally available tool – but one with a narrower user base – is UNIDO's *Trade Capacity Building Resource Guide*, a compilation of all current capacity building activities offered by the bilateral and multilateral donor community [Global, 113]. A third example of a global initiative is the Commonwealth Secretariat's effort to generate data and research on women in trade at the global, regional and national levels. This effort has produced, among other things, a *Gender and Trade Action Guide*, a website devoted to gender and trade issues, a research project on Gender and Women's Rights (sponsored by the EU), a women and trade advocacy campaign in several international forums [Global, 50], and a training programme which supported SADC's Gender Program in Southern Africa [Southern Africa, 55].

An additional channel for building capacities is through studies that evaluate and monitor completed or ongoing initiatives. Four case stories were dedicated to such studies. The Standards and Trade Development Facility (STDF) submitted three case stories that exemplify how these studies can serve to enhance capacity building programmes.

- The first case story concerned the STDF's work to establish the role of multi-stakeholder partnerships in promoting compliance with SPS requirements. It summarised the main findings and conclusion of this work, which included research and a workshop organised in co-operation with the Dutch Ministry of Agriculture, Nature and Food Quality and the World Bank. The case study concluded that establishing multi-stakeholder partnerships to address SPS capacity constraints and compliance is an effective approach that could be developed further in the context of the Aid for Trade Initiative [Global, 162].
- The second case story submitted by the STDF focused on the ongoing STDF/OECD work to identify indicators to measure the performance of national SPS systems. This case story highlighted preliminary conclusions and the potential to establish indicators for results-based management frameworks as policy tools to estimate impacts and support SPS decision making [Global, 250].
- The third STDF case story described the use of economic analysis methodologies to inform SPS decision making. The STDF has been working to develop a decision support tool through the application of multi-criteria decision analysis (MCDA) to enhance the quality and effectiveness of decision making on the allocation of resources for SPS capacity building in developing countries. The MCDA will be accompanied by a training package to equip experts in developing countries with the knowledge and skills to apply this tool [Global, 268].

With a focus on women, the Consultative Group on International Agricultural Research (CGIAR) presented its Gender and Diversity Programme and its flagship project AWARD (African Women in Agricultural Research and Development), which promotes the inclusion of more African women scientists in research and development (R&D) institutions. While the total number of women employed has increased

significantly, women hold only 16% of management positions and women from developing countries hold only 6% [Global, 51].

Projects to enhance negotiating and implementation capacities

Aid for trade has been increasing the capacity of officials to negotiate effectively, to understand the full policy and legal implications of agreements, and to implement them once they are agreed. For example, the Organisation of Eastern Caribbean States (OECS) participated more effectively in WTO negotiations because of the support it had received from the Canadian International Development Agency (CIDA) since 2000. The OECS set up a mechanism to facilitate and maintain a common OECS trade strategy, improve its ability to meet trade agreement obligations, and strengthen its negotiating capacity at international trade arenas. The programme included training activities for trade policy officials, technical studies to provide more information for better negotiations, and financial resources to allow countries' delegates to attend international forums. The OECS considers the activities to have yielded satisfactory results for its member states [Caribbean, 259]. Spain also submitted a case story [203] on how, through its financing, UNCTAD provided distance learning courses that, among other things, aimed to improve the negotiating capacities of civil servants so as to facilitate investment flows towards Latin America. UNCTAD and DFID joined forces in the project “Strategies and Preparedness for Trade Globalization in India” to enhance trade negotiations and supporting submissions from India to the WTO Doha Development Agenda. The first component of the project organised 76 stakeholder consultations, which brought together a broad range of stakeholders (from remotely located farmers to academics, consumer organisations and policy makers), provided technical assistance to the Department of Commerce in India, and set up quantitative tools for analysis in sectors where it was lacking. The second component included trade adjustment assistance to SMEs that would face stronger competition in the case of FTAs, and training sessions to improve the quality of agricultural produce as well as to improve the general awareness of international standards on health, safety and the environment. Initial results show increased exports in the agricultural products covered [India, 53].

In Latin America, UNCTAD also implements capacity building programmes. For example, Honduras requested assistance to create a trade facilitation task force with which to develop the country's negotiation strategy and position in WTO negotiations. Honduran officials have since actively participated and co-sponsored initiatives in WTO working groups [Honduras, 101]. In Indonesia and Viet Nam, the EU funded trade support programmes to provide training on WTO commitments and negotiating capacities. In Indonesia, special attention was given to training on health standards for the country's frozen fish and shrimp industries [Indonesia, 72 and Viet Nam, 195]. The Trade and Poverty Programme in Botswana, funded by the United Kingdom, also includes training officials in trade policy formulation, negotiation and implementation [Botswana, 219].

A requirement for WTO membership is a periodic Trade Policy Review (TPR) of each member's policies. The WTO has piloted the inclusion of a review on aid for trade within the TPR process in six countries (Belize, China, Honduras, Malawi, the United States, and the joint TPR of Benin, Burkina Faso and Mali). This process has proven especially useful for middle income developing countries (MIDCs) and LDCs, which have used the TPR process to enhance internal co-ordination on aid for trade priorities, develop national aid for trade strategies, and collaborate with regional institutions to take forward recommendations made during the TPR process [Global, 205]. In view of

Viet Nam’s accession to the WTO, USAID helped mobilise 52 state agencies to reform policies to better adapt to a market-driven economy. The results of the programmes were not limited to increased trade between the US and Viet Nam. Government officials were also trained in bilateral trade negotiations, and the judiciary system was strengthened [Viet Nam, 232].

Projects supporting Economic Partnership Agreements (EPAs)

Support for the negotiation of Economic Partnership Agreements (EPAs) with the EU was a common thread running through many of the case stories. The EU, through its Hub and Spokes programme, has endeavoured to strengthen the capacity of trade policy officials in the African, Caribbean and Pacific (ACP) countries to formulate negotiating positions in the WTO and in EPAs.

- The Caribbean project adopted a “bottom up” approach that included the formation of Public-Private Consultative Groups (involving entrepreneurs, NGOs and government officials), the appointment of a regional trade policy advisor to the Caribbean Community secretariat and to the OECS secretariat, and funding of trade policy analysts for Dominica, Guyana, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago. Collectively these efforts laid the foundation for the negotiations of the Forum of the Caribbean Group of African, Caribbean and Pacific (ACP) States (CAROFORUM) with the EU on its EPA arrangements, for training staff in rules of origin, and later for setting up an implementation road map for EPA provisions. The programme also sponsored technical assistance to help bring several countries’ export subsidy programmes into compliance with WTO rules [Caribbean, 22 and 258].
- In Jamaica, the Hub and Spokes programme financed the consultancy work of an expert trade analyst who helped the Ministry of Foreign Affairs develop policy and negotiating positions on specific issues, notably trade in services [Caribbean, 182].
- Burkina Faso also presented a case story on how the Hubs and Spokes programme provided technical capacity building for formulating, implementing and negotiating trade policy, helping the country meet WTO transparency requirements and increase the information available to negotiating committees. More than 1 100 government officials were trained [Burkina Faso, 220].
- The case story provided by the West African Economic and Monetary Union (WAEMU) describes a similar experience in its region. As a result of the EU’s Hub and Spokes programme, the WAEMU Commission established a Regional Advisory Committee for Trade Negotiations with the mandate of formalising policy issues and trade negotiations at the regional and national levels. The programme also provided assistance to improve public-private sector dialogue and intra-regional co-operation between ACP states [Africa, 33].
- In Sudan, the EU funded the Sudan EPA Negotiation and Implementation Support (SENIS) for the development of the country’s trade negotiation capacity [Sudan, 93].

Regional technical assistance programmes

Since 2000, the Asian Development Bank (ADB) has also taken a more regional approach to improving countries' trade negotiating capacities. Its objective has been to strengthen the capacities of officials in the Asia-Pacific region to design, negotiate and implement effective trade agreements. The initiative is based on four pillars: information and transparency; capacity building; research; and advocacy. The first pillar includes provision of several databases on key elements on existing FTAs. The second pillar on capacity building comprises training courses on WTO issues and agreements (e.g. the Doha Round negotiations), as well as distribution of printed practical manuals on trade for government officials. The third pillar concerns dissemination of research papers on regional economic integration through working paper series. The fourth pillar relates to the ADB's efforts to facilitate bilateral, regional and global forums to share best practices and create partnerships. The case story is optimistic about results, mentioning hundreds of thousands of downloads of its databases and manuals, more than 600 trained officials, and the publication of a dozen articles and hundreds of working papers [Asia and Pacific, 11].

For more than two decades, the Inter-American Development Bank (IaDB) has made a sustained effort to strengthen trade negotiators' capacities throughout Latin America. This effort has evolved over time, from a focus in the mid-1990s on preparing for the Free Trade Area of the Americas (FTAA) negotiations to the current focus on administering intra-regional free trade agreements, especially implementation of market access commitments (including help with rules of origin) and improving trade facilitation (including the interoperability of single windows). The IaDB's longstanding support for this type of activity has produced distinct benefits: greater negotiating skills, better intra-regional knowledge of existing productive capacity, and improved co-ordination of trade-interested actors within countries [Latin America, 213].

UNECA's African Trade Policy Centre (ATPC), established in 2003 with funding from CIDA, offers trade-related technical assistance to governments in Africa to design and implement coherent trade policies and increase international trade from and to the continent. ATPC can take credit for a number of success stories: it was the driving force behind the African Alliance for Electronic Commerce (AAEC);³ after a feasibility study of Ethiopia's dry ports was conducted, a number of development partners expressed interest in investing in the country; and it has led the way in discussions on trade and gender, with several workshops organised on the subject [Africa, 97].

The Islamic Development Bank's (IsDB) road map for aid for trade for the UN Special Programme for the Economies of Central Asia (SPECA) seeks to provide member countries⁴ with the technical assistance needed to identify regional and national priorities for trade, to mainstream these priorities in their development strategies, and to find financial resources from development partners to implement trade-enhancing projects [Asia, 192].

In addition to these direct efforts to strengthen negotiation and implementation capacities, there are programmes for knowledge creation and research that inform negotiators about the consequences of alternative policies. Development banks, development institutes, universities and NGOs have produced a rich literature on the implications of the Doha Development Agenda (DDA), of regional free trade arrangements, and of bilateral trade and investment. These resources were generally not the subject of the case stories. An exception was the World Bank, which described its analytical work on environmental goods and services in relation to the DDA [Global, 167].

Improving capacities to implement intellectual property rights

One recurrent theme was intellectual property rights. For example, the International Development Law Organization (IDLO) trained some 200 officials and private stakeholders in ways to use intellectual property rules to promote development in four African countries: Ethiopia, Mozambique, Namibia and Zambia. This led to the adoption of a new Intellectual Property Policy [Africa, 69] and a set of recommendations for the Trademark Act of Zambia. It also fed into the intellectual property discussions that were part of the EPA negotiations [Africa, 69]. Similarly, in Cambodia the Republic of Korea sponsored four types of training for 34 government officials in 2005, as well as joint research on policy issues, for the most part associated with the adoption of regional agreements, SPS standards and intellectual property rights. Later, this training helped officials to organise a larger effort in the form of a sector-wide approach [Cambodia, 79]. In Viet Nam, the Swiss government provided assistance to the authorities' efforts to establish a TRIPs-compliant intellectual property regime in three phases as part of their accession to the WTO. This involved help with the legal framework, the provision of administrative services, the teaching of IPR at universities, and sharing work on geographic indications and on the protection of traditional cultural expressions. It contributed to the adoption of a new law on intellectual property in 2005; the setting up of IPR courts in 2007 and of an IP institute; and the transfer of knowledge on valuation issues. Training of 240 enforcement officials was associated with an acceleration of IPR enforcement and raids to shut down violators. Follow-up courses on geographic indications (GIs) provided by Switzerland and France prompted Viet Nam to register three new GIs: Lang Son star anise, Doan Hung grapefruit and Vinh orange. Viet Nam and Switzerland later teamed up to provide similar assistance to Laos [Viet Nam, 96].

The International Centre for Trade and Sustainable Development (ICTSD), with financing from the United Kingdom's Department for International Development (DFID), has provided technical assistance to five countries (Bangladesh, Rwanda, Sierra Leone, Tanzania and Uganda) to undertake needs assessments for the implementation of IPRs beginning in 2007. These efforts helped the countries take advantage of the WTO TRIPs Council invitation to submit needs assessments for possible donor finance [Global, 249]. There is a similar initiative in the Caribbean, where a group of regional stakeholders is beginning a programme to leverage intellectual property rules. This public-private group – including the Caribbean Association of Industries and Commerce, Caribbean Export, the Office of Trade Negotiations of the Caricom Secretariat, the OAS and others – is setting up a training programme for entrepreneurs in three products (Grenadian nutmeg, West Indian Sea Island Cotton, and one to be named from Belize) [Caribbean, 170].

Although specific results from aid for trade in support of IPR are hard to identify in the short term, activities such as those described in the case stories may eventually provide dividends in terms of earnings for music and transitional knowledge and in terms of greater foreign direct investment (Finger and Schule, 2004; Maskus, 2005; Javorcik, 2005). A few case stories specifically argued that new IPRs could produce significant effects on growth of trade and FDI. In Jordan, for example, the signing of a free trade agreement with the United States provided impetus to put in place new intellectual property regulations in 2001. This was reported to have fostered the expansion of a fledgling generic drug industry. By 2010, 16 pharmaceutical companies had sales of more than USD 500 million and were exporting 81% of their production to over 60 countries. The largest company, Al Hikma Pharmaceuticals, has subsidiaries in the United States, Europe, and throughout the Middle East and has expanded its domestic R&D activities into a global network of laboratories [Jordan, 173]. A case story from Colombia reiterated

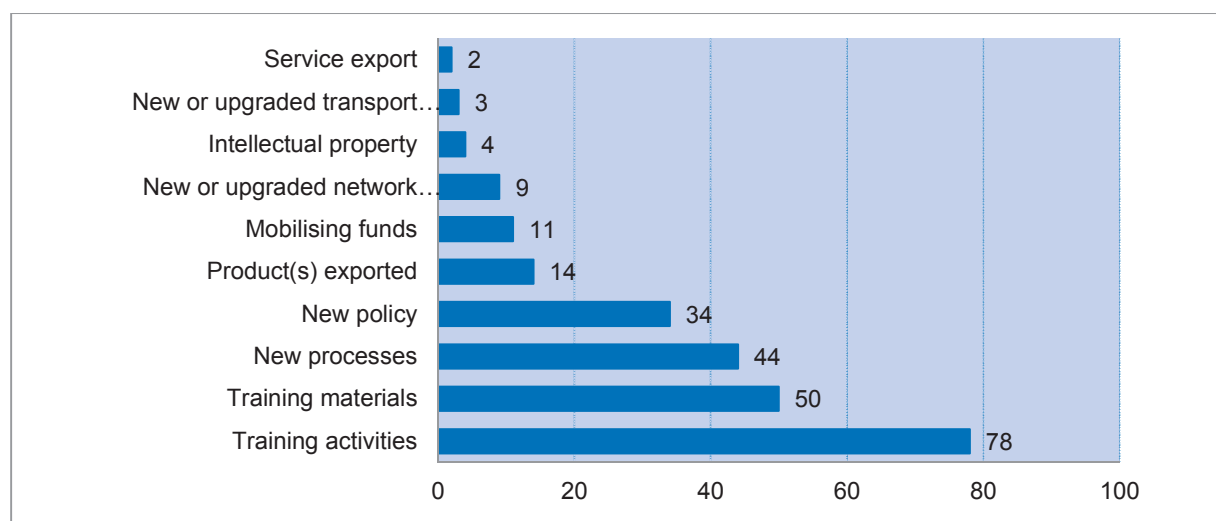
the importance of implementing IPRs, while pointing out the difficulty of doing so without the technical, financial and human resources needed to prevent, identify and sanction IPR violations [Colombia, 227]. Other similar stories, submitted by the World Intellectual Property Organization (WIPO) using its IP Advantage database, are reported for beer exports from Lao PDR [Lao, 172] and Marula oil from Namibia [Namibia, 134]

Conclusions

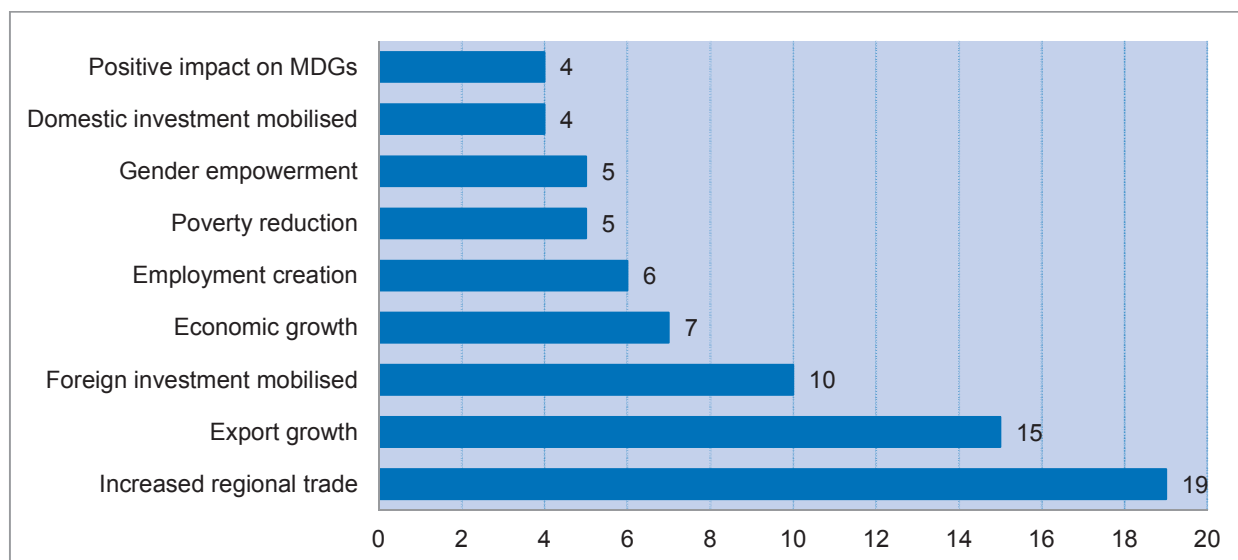
The technical assistance programmes and projects described in this chapter can rarely claim to have directly increased trade flows. Nor can their impact on development be easily evaluated. In general, the impacts of initiatives that aim to improve policy and build capacity mainly appear in the longer run. Nonetheless, some impacts were mentioned in the case stories: increases in regional trade were cited in 19, while general export growth received 15 mentions and FDI mobilisation 10. In contrast, the outputs most frequently cited were simply successful capacity building. For example, the case stories provided examples of successful adjustment to post-liberalisation environments, as in China [89] and in the Caribbean [23] rum sector. In all, 21 case stories described initiatives that successfully trained officials, and at times businesses, on health standards with the goals of increasing compliance with international standards and enhancing productivity.

Yet despite the difficulty of specifying in the short term their direct economic results, the case stories provided a rich description of efforts to empower public officials with greater knowledge, and the case stories themselves suggest little dissent about the value of the efforts that have been undertaken. It is clear that the wide range of programmes and projects have led to new insights that have been motivating policy makers and private actors, and in this way show great promise of leading to more effective policies and to sustainable growth in trade and incomes, with likely improvements in social benchmarks such as gender equality and the environment.

Figure 3.5 Outputs mentioned in the public sector capacity building case stories



Source: OECD/WTO (2011), Aid for Trade Case Story Database, www.oecd.org/aidfortrade/casestories.htm.

Figure 3.6 Impacts mentioned in the public sector capacity building case stories

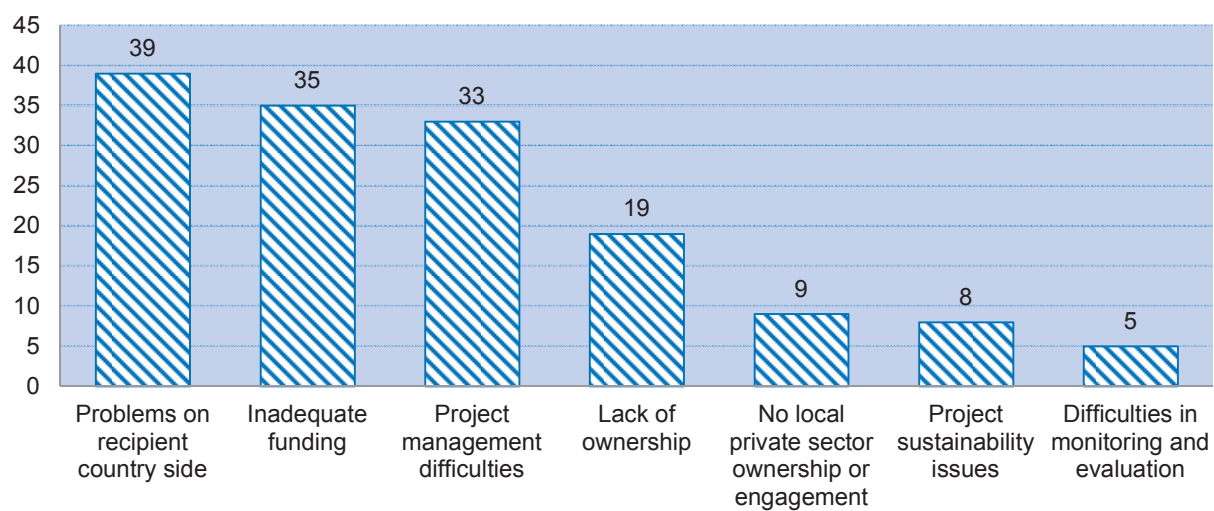
Source: OECD/WTO (2011), Aid for Trade Case Story Database, www.oecd.org/aidfortrade/casestories.htm.

Through their variety, the case stories provide numerous examples of the types of skills developing countries need in order to make the most of international trade and the multilateral system. The programmes and projects described have focused on issues such as helping with adjustment costs facing the private sector due to trade liberalisation policies; integrating trade more effectively in national development strategies; and increasing public and private sector awareness of product and labour standards and how to support the private sector most effectively in complying with requirements in these fields for trade.

Moreover, the second part of this chapter has shown the different types of efforts to enhance the knowledge and skills of public sector officials, for example multi-country multi-donor programmes such as the EIF; one-to-one co-operation between governments sharing knowledge on trade policy making and negotiation; and regional training courses for government officials aiming to build negotiation and implementation skills in line with the complexity of today's multilateral trading system.

According to case stories written by recipient governments, the major problems that jeopardised the success of aid for trade projects to build public sector capacity were inadequate financial and human resources in the recipient country; project management difficulties; and insufficient funding. In the case of Zambia, it was said that “The process was further adversely affected by inadequate capacity in the donor community propelled by constant staff changes which resulted in Zambia having four different donor facilitators for the IF in two years” [Zambia, 154]. Such observations provide very useful input for refining aid for trade activities in the future.

Figure 3.7 Conditions in partner countries were often cited as a problem in the public sector capacity building case stories



Source: OECD/WTO (2011), Aid for Trade Case Story Database, www.oecd.org/aidfortrade/casestories.htm.

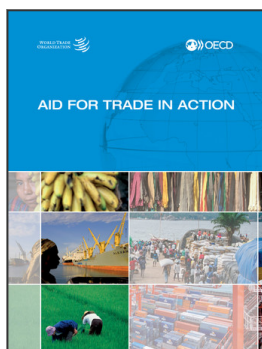
Notes

1. Physikalisch-Technische Bundesanstalt (PTB) is the German national metrology institute.
2. The members of ESCWA are Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya (2012), Morocco (2012), Oman, Palestine, Qatar, Saudi Arabia, Sudan, the Syrian Arab Republic, Tunisia (2012), the United Arab Emirates and Yemen.
3. The African Alliance for Electronic Commerce (AAEC) is a platform where experiences on aid for trade are shared, especially those dealing with e-commerce and single window initiatives. One of its objectives is to become a focal point for development partners that are planning to implement single window systems in Africa (<http://aace-africa.net/>).
4. The SPECA member countries are Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

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