CHAPTER 5
WHAT DO THE **CASE STORIES** TELL US?

The purpose of the case stories was to probe more deeply into the objectives, challenges, and processes of trade-related assistance so as to better understand the results of such assistance – particularly, what worked well in the provision of aid for trade, what were the key ingredients of success, and what governments and practitioners could learn from these experiences.

In total 269 case stories were received covering more than 150 countries and covering all major developing regions. Beneficiary governments, bilateral donors, and UN organisations were large contributors, with the multilateral development banks – perhaps because they oversee a smaller number of large projects – submitting somewhat fewer stories.

Collectively, the stories provided rich detail on the efforts by governments and the international community to promote trade. The sheer quantity of activities described in these stories suggests that aid for trade efforts are substantial, that they have taken root across a wide spectrum of countries, and that are becoming central to development strategies. The fact that nearly 40% of the stories were provided by developing countries underlines the salience of these programmes in the field - and the importance of making them work.

The diversity of stories also reveals activities that do not normally show up in global aid-for-trade flows. For example, projects undertaken by the private sector arms of multilateral and bilateral agencies are for the most part not covered, yet these activities figured prominently in the case stories. This suggests shifting the focus of the global monitoring from financial transfers to knowledge transfers. Recipient governments are clearly interested in gaining access to global information and knowledge on ways to harness trade to promote growth and raise incomes.

Another emerging trend evident in the case stories is the importance of South-South co-operation – and not just of middle-income countries helping low-income countries, but also of low-income countries helping each other. Moreover, the demand for South-South co-operation is clearly rising.

The apparent success of pro-active industry-specific government policies in the case stories is significant. This category reported the highest percentage of positive effects measured in terms of outputs and outcomes. The projects generally appeared to be both pragmatic and fruitful, and often translated into benefits for low-income participants, including women. Overall, the low percentage of projects reporting quantifiable outcomes suggest that aid-for-trade providers, as a group, may wish to devote additional attention to more systematic, quantifiable measures of success.

The great majority of the programmes and projects in the case stories reported at least some elements of success. While this might reflect the selection bias of the sample, several "success factors" were reported: ownership at the highest political level supported by the active engagement of all stakeholders; adequate and reliable funding; leveraging partnerships (including with providers of South–South co-operation); and combining public and private investment with technical assistance.

Furthermore, complementary policies - especially stable fiscal and monetary policies and flexible labour market policies - together with good governance can greatly enhance the chances of success. Conversely, delays and changes caused by exogenous factors such as natural disasters, political crisis and global recessions threaten successful outcomes.

The stories provide a wealth of information which this chapter can only begin to mine - and that offer considerable scope for further analysis. For this reason, the case-story exercise - and this initial summary of findings – should be viewed not as an end product, but rather as the start of a deeper process of learning.

INTRODUCTION

In July 2010, the Secretary-General of the OECD and the Director General of the WTO jointly put out a call for "case stories" on aid for trade. The purpose was to probe more deeply into the objectives, challenges, and processes of trade-related assistance so as to better understand the results – particularly, what was working in the provision of aid for trade, what were the key ingredients of success, and what governments and practitioners could learn from experience. In the months since the call went out, the WTO and OECD have received an outpouring of 269 case stories – a figure that greatly exceeded expectations.

Aid for trade takes many forms

The call for case stories provided only a general outline of the how they might be structured, so the results vary widely. Some stories, for example, recounted government efforts to foster private sector development [Kenya, 17; Ghana, 65].[1] Others described detailed policies to improve crop exports [Africa 37; Cameroon, 19; Caribbean 23]. Still others reported on efforts at the global level to conduct research or prepare policy guidebooks, for example on women in trade [Global, 52]. The diversity of responses underscores how aid for trade can take many forms.

The case stories were no less diverse in terms of the countries implementing or sponsoring aid for trade. The collection involves more than 150 countries – from the smallest states, such as Solomon Islands, and Comoros, to the largest, such as China - and includes all major developing regions. Some case stories contained detailed information – such as start and completion dates, donors' involvement, amounts invested, and associated results – while others had only a smattering of quantitative information.

Collectively, the stories provide rich detail on the efforts by governments and the international community to promote trade. This chapter presents an overview of these stories organised around six themes that emerge from the collection. It then points to some common lessons. Lastly, it ventures some conclusions about what works.

By way of preface, it should be noted that the case stories were not meant to be a scientific approach to evaluation. The sample is probably unrepresentative because it reflects selection bias; and conclusions have to be drawn with care because of omitted variables and *attribution problems*[2] (see Box 5.1). Nonetheless, these stories provide a valuable first step in the broader effort to assess the results of aid for trade. They deal with the "nitty gritty" of the real world and, as such, can convey important nuances and narratives not easily captured in more abstract methodologies. They can also capture the unique and critical variables that do not normally appear in analysts' cross-country regressions. One possible advantage of a collection of stories is that determinants of success or failure that, viewed in isolation, may appear to be project specific, are revealed to be part of a broader pattern when seen repeatedly in other stories – thus providing the basis for new hypotheses for researchers and practitioners to test.

Six themes

The 269 stories recount aid-for-trade efforts that tend to fall into one of six broad themes:

- Lowering trade costs through *trade facilitation* programmes;
- Investing in *infrastructure* to lower the cost of inputs and services (including in sub-regions);
- *Reforming policy* to improve incentives, support adjustment, enhance strategy, and adopt international standards;
- *Building capacities* within governments to better conduct trade policy, negotiate trade agreements, and implement trade-related rules and laws;
- Undertaking *industry-specific* pro-active policies to promote trade within a specific sector; and
- Leveraging the *private sector* through trade finance, export promotion, and skill-up-grading for SMEs and women traders.

Table 5.1 Most stories discuss programmes in sub-Saharan Africa

Region	Trade facilitation	Infrastruture	Improving policy	Building capacity	Industrial policy	Private sector	Total
North Africa	0	1	2	0	0	2	**5**
Sub-Saharan Africa	24	6	17	22	19	21	**109**
North America and Carribbean	10	1	9	11	12	10	**53**
South America	3	0	3	4	4	3	**17**
Europe	1	1	0	0	0	3	**5**
East Asia and Oceania	4	2	4	11	10	5	**36**
Middle East and Asia	4	2	5	5	2	2	**20**
Global	2	1	2	13	0	6	**24**
TOTAL	**48**	**14**	**42**	**66**	**47**	**52**	**269**

Table 5.2 ..and emanate from recipient countries

Region Author	Recipient government[a]	Donor government	United Nations[b]	Multilateral development banks	Private sector[c]	Total
North Africa	0	1	3	1	0	**5**
Sub-Saharan Africa	44	30	22	6	7	**109**
North America and Carribbean	30	12	5	4	2	**53**
South America	8	4	3	1	1	**17**
Europe	1	1	1	2	0	**5**
East Asia and Oceania	12	16	0	7	1	**36**
Middle East and Asia	9	2	6	5	0	**20**
Global	3	5	14	1	1	**24**
TOTAL	**107**	**71**	**54**	**25**	**12**	**269**

a Includes stories from regional economic communities and organisations
b Includes other international organisations
c Includes NGOs and un-affiliated authors

Source: OECD/WTO Case Story Database

While analysts could "cut the cake differently", these six themes have the advantage of tying into a larger body of literature on aid for trade, and can be readily interpreted through the lens of the categories set out by the WTO's Aid for Trade Taskforce.[3] These categories also correspond broadly to existing instruments in the donors' arsenals – grants, investment loans and credits, budget support loans, and in-kind services (*e.g.* technical assistance and studies), as well as equity investments through the private-sector arms of multilateral institutions. It should be noted that these six themes, though conceptually clear, have relatively subjective boundaries. This fact, together with the problem that many cases stories touch on more than one theme, means that the thematic organisation of case stories can be somewhat arbitrary. For example, a story might recount a developing country's efforts to develop a particular product with the goal of both diversifying exports (theme 5) and empowering women farmers (theme 6). In the following analysis, attention is drawn to several cross-cutting sub-themes.

These caveats notwithstanding, the case stories are spread roughly proportionately across the six themes (Table 5.1). The largest number of case stories appears in the building capacity and private sector categories, while trade facilitation, improving policy, and industrial policy have relatively smaller and similar allocations. The under-representation of infrastructure stories is striking, especially since infrastructure receives by far the largest share of aid for trade. This may reflect the fact that trade ministries, and their counterparts in the trade departments of donor agencies, generally provided the case stories, and infrastructure, though important for trade, rarely falls under their purview.

As expected, the region most represented in the case stories is Sub-Saharan Africa, accounting for about 40% of the total. The surprise was the relative over-representation of Latin America in the case stories, accounting for more than one-quarter of the total. This was unexpected since aid for trade is limited to concessional resources, and Latin America receives little concessional aid. In reality, the Latin American case stories reflect a larger conception of aid for trade – *i.e.* trade-related development assistance, in whatever form, to middle-and low-income countries alike - and not just the narrow definition employed by the aid-for-trade community.

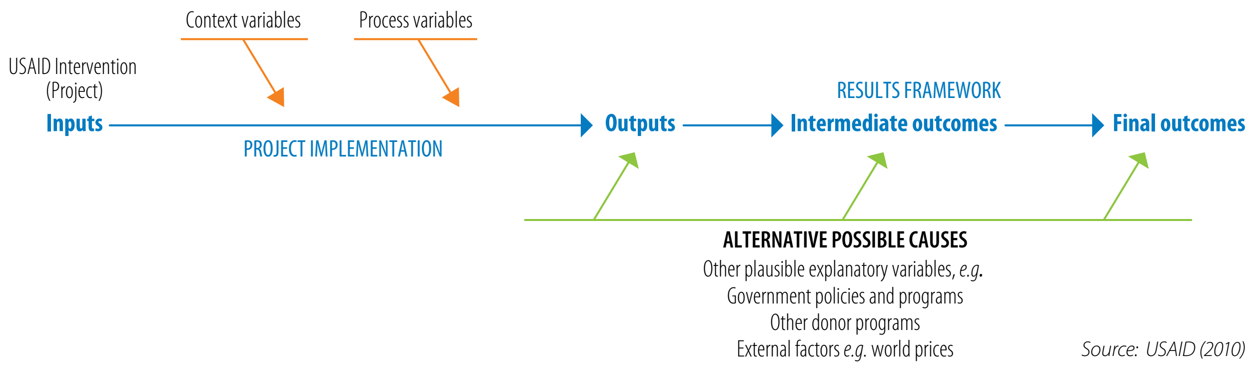
The call for case stories revealed examples of aid for trade from several sources. The response from recipient countries was particularly encouraging, nearly 40% of the total (Table 5.2). Bilateral donors, providers of South-South co-operation, and UN organisations were also large contributors. The multilateral development banks – perhaps because they oversee a smaller number of total projects (even though they are among the largest providers of aid for trade) – appear to be under-represented. Private parties and NGOs also submitted few case stories.

Taken together, these stories provide a detailed picture of aid-for-trade activities throughout the developing world, and across virtually all important trade-related activities. The enormous breadth and volume of case stories show that governments and donors alike are making trade a central pillar of their development concerns. The stories provide a wealth of information which this chapter can only begin to mine, and that offer enormous scope for further analysis. For this reason, the OECD and WTO view the case-story exercise - and this initial summary of findings – not as an end product, but as the start of a deeper process of learning.

Generalisations should be taken with a grain of salt... including this one

Any conclusion from the collection of case stories must be tempered by an awareness of its limitations. First, the stories are written by the participants – governments, donors, or consultants working in the project – and this introduces two *selection biases*: respondents are less likely to report on failed projects because no one wants to advertise their mistakes; moreover, self-evaluations are likely to be somewhat more forgiving and less objective than outside evaluations of any given project. Indeed, nearly all stories reported some form of success, if with some noteworthy qualification (see, for example, Ethiopia, 190 Mauritius, 81, and Fiji, 196). Second, the intentional call for heterogeneity is a virtue, if the exercise is intended to elicit broad participation, but can also be a vice insofar as it renders comparisons unsystematic. Without guidance on content, individual authors may *omit variables* that later turn out to be critical in explaining outcomes when viewed in comparison with other stories. Third, the *level of abstraction* from a particular intended outcome differs widely, from global stories to project-specific stories. Both present difficulties in evaluating *attribution*.

Figure 5.1 Results chain



Source: USAID (2010)

Global stories – such as the writing of a policy guide or a research project – are often too distant from uses and outcomes to draw conclusions about effects on trade, poverty reduction, or other performance variables. At the other end of the spectrum, drawing conclusions from specific projects requires – in the words of Sida's (2009) evaluation -- walking back through a "results chain" of logic from project results to desired economic performance. For example, greater trade policy co-ordination is intended to produce better trade policies, implying greater export performance, economic growth, and poverty reduction. At any point in this chain, other – perhaps more powerful – intervening causal variables may enter to affect the next stage positively or negatively, complicating the *attribution* of outcomes to the project intervention (see Figure 5.1). For example, in Lesotho, a project to up-grade labour skills succeeded in training some 625 workers (491 of which were women) and even though the programme enjoyed a 75% placement rate, the collapse of the global economy in 2009 undercut exports and slashed incomes [Lesotho, 127]. The same happened in the Solo Raya region in Indonesia, where even with a successful value-chain promotion project underway, the rattan furniture industry saw export value drop 25% and employment fall by 15% between 2007 and 2009 [Indonesia, 185]. In general, the further away the project is from the performance result, the more tenuous is the attribution to performance outcomes. Finally, the case stories rarely speculate about what would have happened in the absence of the project – the *counterfactual.* Only through carefully constructed (and costly) impact evaluations – wherein project results are compared with control groups in randomly selected similar situations – can evaluations adequately take into account counterfactuals.[4]

LOWERING TRADE COSTS: TRADE FACILITATION

Reducing delays at the border and in transit can have a dramatic impact on reducing import and export costs, thereby improving competitiveness (Engman, 2005). In 2006, it took, an average 116 days to move an export container from the factory in Bangui (Central African Republic) to the nearest port and fulfil all the customs, administrative, and port requirements to load the cargo onto a ship. As Djankov, *et al.* (2010) point out, roughly the same process took 71 days from Ouagadougou, Burkina Faso, 87 days from N'djamena, Chad, 93 days from Almaty, Kazakhstan, and 105 days from Baghdad, Iraq. This is in stark contrast to the 5 days it took from ship a container from Copenhagen, 6 days from Berlin, 16 days from Port Louis, Mauritius, or 20 days from Shanghai, Kuala Lumpur or Santiago.

Hummels (2001) calculated that a one-day border delay drives up costs on average by about 0.8% around the world. Building on this work - and based on a study of 126 countries using a gravity model - Djankov, *et al.* (2010) found that each day in transit had the effect of reducing trade volumes on average by slightly more than 1%. They were able to capture the effects of administrative delays by using the proxy of the number of signatures required to export or import. These delays had the equivalent effect of adding 70 kilometres to the distance between the plant and the final market. The situation was more serious for exporters of perishable agricultural products because delays increased wastage. For these exporters, every additional day of delay reduced exports on average by 6%. Hoekman and Nicita (2010, 2011) estimate that efforts to move the logistics and trade facilitation performance of low-income countries (as measured by the World Bank's Logistics Performance Index and Doing Business 'cost of trading' indicator) closer to middle-income country levels would increase trade by 15%, double what would be achieved by converging on middle-income average import tariffs.

The majority of econometric empirical studies on the topic of trade facilitation conclude that improvements in trade facilitation measures are associated with increases in trade flows. This is because reforming customs to increase efficiency, reducing transactions at the border, eliminating bureaucratic interventions that create opportunities for corruption, and adopting procedures to speed goods across borders can lower trade costs for importers and exporters alike. Helble *et al.* (2009) undertake an analysis of these potential benefits, using gravity estimates from cross-country regressions, with a focus on aid for trade. In particular, they compare the effects of trade development assistance (productive capacity building), trade policy assistance, and infrastructure assistance on bilateral trade flows. They conclude that aid for trade targeted at trade policy and regulatory reform projects produces a high rate of return.

Portugal and Wilson (2008) apply a variant of this same methodology to an analysis of African trade performance, where trade costs are generally higher than in other regions. Using gravity-model estimates, the authors compute *ad valorem* equivalents of improvements in trade indicators. They conclude that the gains for African exporters from cutting trade costs to twice Mauritius' level would have a greater positive impact on trade flows than substantial tariff cuts. Similarly, reducing logistics costs in Ethiopia to twice Mauritius' costs would be roughly equivalent to a 7.6% cut in the tariffs faced by Ethiopian exporters in all their foreign markets.

The 48 case stories under the trade facilitation theme describe a wide variety of efforts to lower cross-border trading costs. These take several forms: (i) integrated trade facilitation programmes spanning strategy and investments, sometime with a regional focus; (ii) customs and logistics reform efforts; and (iii) corridor-focused programmes.

Integrated trade facilitation programmes

Some projects combined investments in infrastructure and accelerated customs procedures with regional integration programmes. The Mesoamerica Project, for example, sought to improve the ease with which goods moved within Central America. The project, begun in 2008 by the IADB, entailed investments in road infrastructure that by 2015 are projected to cut average freight travel times from 8 days to 2.25 days; in accelerated customs procedures forecast to reduce average border crossing time from 60 minutes to 8; in the creation of a regional electricity grid projected to generate costs savings of 20%; and in telecommunications service integration. The project has modest accomplishments to date, including the completion of survey work on the quality of roads, initial implementation planning for key measures, and the completion of 90% of the backbone fibre optic cable for the region. While the overall project is generally on schedule, continued high-level official involvement is necessary to ensure its timely completion [Latin America, 120].

Mexico offers an example of linking the "export side" of trade facilitation with a more efficient "import side", as well as with improvements in domestic business regulations. A central component of Mexico's "National Agenda for Competitiveness" is the goal of improving import efficiency by reducing and simplifying tariffs. Between 2008 and 2010, Mexico unilaterally reduced its average industrial tariffs from 10.4% to 5.3%. By 2013, it expects that 63% of its tariff lines will be duty free, reducing its average industrial tariff to just 4.3%. All of these changes allowed Mexico to move from 74 to 22 in the World Economic Forum's rankings for market openness. At the same time, the trade-distorting variance of tariffs will drop by a quarter in standard deviation, from 9.0% to 6.6% by 2013. On the export side, Mexico eliminated several export requirements and established an "electronic single window" to simplify access to required filings. In addition, an electronic application process has been adopted to accelerate business registrations. Mexico also conducted a "Base 0" regulatory review and eliminated 12,234 internal regulations and 1,358 bureaucratic steps for businesses. This combination of regulatory improvements is projected to save Mexican businesses and citizens USD 3.9 billion over a six year period [Mexico, 114].

Other countries also adopted integrated programmes to promote trade across borders. The Lao PDR did so under the auspices of the Trade Development Facility and the Enhanced Integrated Framework, with the help of the AusAID, the World Bank, Swiss Government and the EU. This initiative has resulted in coherent action plans in four subsectors to promote trade. It has also trained more than 1,000 officials and launched the Lao PDR Trade Research Digest [Lao PDR, 155]. With DFID support, CARICOM established the CARTFund programme to spur Caribbean integration and to implement EPA-inspired reforms. Established in 2009, CARTFund is still in its infancy, but regional demand appears to be outstripping supply [Caribbean, 25; Caribbean 153]. Similarly Nigeria's "Strategic Trade Facilitation Action Plan" has succeeded in creating a forum within which stakeholders can discuss deepening regional integration in ECOWAS and efforts to *"embrace accelerated trade liberalisation at our own pace"* [Nigeria, 7]. The Regional Strategy for UEMOA has also spearheaded a wide range of activities to promote trade, ranging from streamlined border crossings and customs

AID FOR TRADE FACILITATION: RESULTS AT A GLANCE	
Burundi	Tax-revenue increased 25% from 2009 to 2010 after the Burundi Revenue Office was implemented [Burundi, 211].
Cameroon	Custom reform increased revenue by 12%; number of declarations assessed by officials in a day increased by 130% [Cameroon, 164].
Colombia	The administrative procedure for certifying origin cut time to an average of 10 minutes, down from 2-3 days [Colombia, 226].
East Africa	Average transit times in the Northern Transport corridor decreased from 3 days to 3 hours; dwell time at the Port of Mombasa went from 19 to 13 days; transit time along the Mombasa- Nairobi-Kampala section dropped from 15 to 5 days [East Africa, 129].
Ethiopia	Custom reform increased import transactions by about 190% and export transactions by 200%; custom revenues increased 51% [Ethiopia, 166].
Ghana	The development of clusters in free trade zones led to a doubling of exports emanating from them from 2006 to 2008 [Ghana, 128].
Haiti	Custom clearing-time halved to 2 days for green declarations [Haiti, 246].
Kyrgyzstan and Tajikistan	60% drop in number of forms to be filled for foreign trade [Kyrgyzstan, 186].
Mexico	The time needed to register a new business went from 34 days to 2.5 hours, eliminating double certification costs of USD 213 million [Mexico, 114].
Mongolia	Data processing modernisation reduced imports clearing time from more than 3 hours to 23 minutes, and exports clearing time from over 2 hours to 13 minutes on average [Mongolia, 260].
Mozambique	Border clearing time for goods went from 30 days to about 2-5 days [Africa, 175].
South America	10,000 businesses were able to export for the first time thanks to slashing the number of forms required to export parcels under 30kg and worth less than USD 50,000 [South America, 16].
Vietnam-Lao PDR-Thailand	Transshipment requirements were eliminated for 500 trucks now licensed to cross the Southeast corridor [East Asia, 163].
Zambia-Zimbabwe	Border clearing time for commercial trucks went from 5 days to 1-2 days, and for passenger coaches from 2 hours to 1 hour [Zimbabwe, 107].

Source: Selected subsample of results taken from OECD/WTO case story database procedures, to harmonised tax policies and investments in capacity building [West Africa, 266]. Suriname's "Improving Trade Facilitation Environment" project brings together efforts to expand the main port and cargo handling facilities, to improve customs procedures through risk management, and to identify future infrastructure investments and institutional improvements (including installation of ASYCUDA World). An important achievement of this work to date, aside from shrinking time to trade, has been Suriname's success in raising awareness about the importance of reducing trade costs [Suriname, 94].

Customs reform and logistics management programmes

More than a dozen case stories told of government efforts to improve customs and logistics. These included, for example, programmes in Africa [15], Central America [122], Ecuador [43], Ethiopia [166], Haiti [246], Macedonia [189], Mongolia [260], Montserrat [5], Mongolia [6], Suriname [94], Tunisia [130], and Uganda [239]. In Southern Africa, for example, SADC is sponsoring the reform of a region-wide tariff system and customs administration as it moves toward a full customs union. The project includes work on the legal and institutional framework, the common external tariff, a three year training strategy to build capacity, and the organisation of Business Partnership Forums. These efforts, sponsored by the EU, are still in their initial phases [Southern Africa, 15].

Cameroon launched major customs reforms in 2007 and 2010, with the support of the World Customs Organisation, the French Development Agency and the World Bank. The customs agency, responsible for collecting a large share of total government revenues, adopted a series of quantified indicators in 2008 as part of a broader reform programme ultimately aimed at introducing performance contracts. This provided for monthly reviews of some 30 indicators of 11 customs offices around the country - monitoring and assessing, among other things, imports, customs officers' performance (mostly in terms of processing delays), "officers at risk", and anti-corruption enforcement. To ensure follow-up, a second round of indicators, designed in co-operation with customs officials, was adopted in 2010. The results were dramatic: time between broker registration and officer assessment fell on average by 75% in two offices as compared with only 38% in a "control group" office. The number of declarations processed rose by 20 to 30%. Time savings averaged 10-14 hours. And revenues per container increased 11.7% between 2009 and 2010. These and other performance data form part of the evaluation of inspectors' annual performance, and contribute to good officers being promoted and others being transferred [Cameroon, 164]. In Burundi, tax-revenues also increased by a quarter between 2009 and 2010 after the implementation of the Burundi Revenue Office. [Burundi, 211].[5]

An export development project in Tunisia has also borne fruit. The USD 50 million project created a market access fund, a pre-shipment export finance guarantee facility, improved logistics management, and a customs procedures efficiency project. The market access fund offers co-financing for firms and professional associations to spur investment in market research, to finance the acquisition of equipment, to sponsor workshops, and to provide matching capital for selected projects. The customs and logistics components were estimated to reduce cargo delays by about two-thirds – from an average of 10.1 days in 2003-2004 to 3.3 days in 2010. The project also aims to improve technical standards and intellectual property rules to meet WTO requirements. Overall, the project had increased exports by more than USD 400 million by May 2010, more than one-third of which represented new exports to new markets. According to the case story, increased employment resulting from the project amounted to some 50,000 full time and 50,000 part-time jobs for the firms involved [Tunisia, 130].

Corridor programmes and efforts to speed border crossings

Programmes that treat trade facilitation, not simply as a border issue, but as an integrated policy challenge involving the whole of a transport corridor and multiple facets of trade are increasingly common. For example, the Greater Mekong Sub-region undertook to enhance trade by constructing bridges and roads in conjunction with its Cross Border Transport Agreement (CBTA). One objective was to promote foreign investment. Although politically complicated, the project eventually led to an agreement in 2006 among Vietnam, Lao PDR, and Thailand that each country would license 500 trucks to operate without restrictive cabotage provisions along the newly created East-West corridor. The savings, both in terms of lower transport costs and reduced trans-shipment times are expected to have a major impact on the region's development [Southeast Asia, 163].

Improving the North-South Corridor in Africa remains a high priority of governments and donors; three separate case stories describe the improvements to the Chirundu Border Post [Zimbabwe, 107; Zambia, 171; Southern Africa, 140]. According to one account, the journey along the corridor used to entail *"one-third driving and two thirds waiting"* at the border [Southern Africa, 140]. But the creation of a one-stop border post has greatly expedited movement through a common control zone, improved work-flow efficiencies, and supplied the equipment needed to undertake pre-clearance of persons, vehicles and goods. The COMESA Secretariat has provided the institutional "home" and offices for the project, and the relevant ministries of trade and commerce has provided essential political and policy leadership – vital because the project required legal reforms, redesigning and revamping procedures on both sides of the border, new infrastructure, and new investments in information and communications technologies. Partner donors, including the Japanese government, DFID and the World Bank, provided resources for critical components. The benefits have been tangible: clearance times for buses and autos have been reduced by one half; and clearance times for commercial trucks have been reduced from five days on average to less than 24 hours, and with "fast lane" trucks cleared in under five hours. The positive spin-offs have been significant. Rapid, automated and standardised clearance procedures have reduced the illicit payments that multiple agencies previously charged for clearance procedures, while the reductions in border delays has reduced the sex trade as well as the spread of sexually transmitted diseases, such as HIV-AIDS.

The goal of the East Africa Trade and Transport Facilitation Project is to stimulate trade within the East African Community. This USD 260 million World Bank-funded project, in co-ordination with companion projects financed by the EU, the AfDB, JICA, and DFID, is designed to improve traffic flow through the Northern Corridor, linking the Kenyan port of Mombasa, through Nairobi, to Kampala, Uganda, Kigali, Rwanda, the DRC, and South Sudan. Investments in more efficient border procedures have reduced delays from three days to three hours. Transit times from Mombasa to Kampala have dropped from 15 days to five days. Average waiting times in the Mombasa port have fallen from 19 to 13 days. This means that the average truck can make three trips per month along the corridor rather than the previous 1.5 trips, improving truck utilisation and reducing costs. Since this also means that export crops such as tea, are in transit for shorter periods, thus reducing financing costs. These savings translate into higher incomes for farmers through earnings on a greater volume of exports [East Africa, 129].

Despite the compelling logic of one-stop border posts, these projects are far more difficult to orchestrate and implement in practice than the name would suggest. As shown above, complex political, procedural, and institutional changes are often required to advance the project; changes that often threaten interest groups profiting from the status quo. Moreover, one-stop border posts usually require a level of inter-governmental co-ordination that can be politically challenging because it involves multiple levels of bureaucracy on both sides of the border. The difficulties involved in attempting to improve the Beitbridge Border Post separating South Africa and Zimbabwe – including lengthy delays in signing the MOUs - highlights the need for effective and high-level intergovernmental co-ordination [Southern Africa, 267]. The ways that normal co-ordination challenges can be magnified when working at the sub-regional level and across many countries was revealed in the start-up issues confronting the COMESA-EAC-SADC tripartite trade facilitation effort in East and Southern Africa [Africa, 145].

The ECOWAS Commission and the USAID West Africa Trade Hub submitted a joint case story on the ECOWAS Trade Liberalization Scheme (ETLS) – an effort to identify where problems are arising in the national implementation of regional protocols. Visa-free movement of persons has been a success, but less progress has been made in the free movement of goods and transport. Difficulties cited include incompatible national legislation, differing vehicle standards, varying inspection requirements and divergent axle load limits. The result is a complex web of conflicting national rules that makes compliance with the regional protocols impossible. This situation also creates opportunities for "irregular practices". The case story also suggests that companies which benefit from informal trade barriers (*e.g.*, continuing tariff restrictions or non-tariff barriers, such as seasonal bans), as well as the agencies that collect revenue (both formally and informally), may not favour ETLS implementation. Quarterly surveys of the private-sector conducted by the *Observatoire des Pratiques Anormales* highlight the negative impact that continuing restrictions and irregular practices have on trade in the West African region [West Africa, 42].

Finally, two case stories report on studies using cross-country data and econometrics to examine the link between aid for trade and trade costs. UNECA draws attention to a forthcoming study which shows that an increase in aid for trade is associated both with greater export diversification and lower transportation costs [Africa, 104]. Similarly, the Commonwealth Secretariat points to several studies that demonstrated the significant effects of aid for trade, including one study which argued that doubling aid-for-trade increases is associated with a 5% decrease in the cost of importing [Global, 34].

INVESTING IN INFRASTRUCTURE TO SPUR TRADE

One of the most pervasive binding constraints to export growth, productivity increases, and national income growth is the quality of infrastructure. Several studies have made the link between investments in infrastructure and increasing capacity to trade.[6] For example, Limao and Venables (2001) studied the relationship between roads and telecommunications and shipping costs, and then the relations between shipping costs and trade volumes. They found that an improvement in transport and communication infrastructure from the median score on surveys to the highest 25th percentile is associated with a decrease in transport costs by 12% - and this in turn is associated with an increase in trade volumes of 28%.[7] Moreover, they show that landlocked countries face higher transport cost since their ability to trade depends also on the infrastructure of the neighbouring transit countries. For example, in East Africa, goods bound for landlocked countries faced the time equivalent of at least three clearance processes of coastal countries. *"Poor infrastructure accounts for 40% of predicted transport costs for coastal countries and up to 60% for landlocked countries."* Furthermore, for landlocked countries, they calculated that improvements in their own infrastructure from the 25th percentile to the 75th percentile would effectively overcome more than half the disadvantage of being landlocked.

Roads are obviously critical to trade. Buys, Deichmann, and Wheeler (2010), in a study for the AfDB, undertook an analysis of road networks in Africa. Estimating city-level gravity model averages of trade that could occur, given distance and incomes, and using actual cost and engineering data for road construction, they simulated the effect of creating a feasible continent network transport through up-grading. Their baseline estimates indicate that an investment of some USD 20 billion, together with USD 1 billion in annual maintenance, would generate about USD 250 billion in overland trade over 15 years. Similarly, Ben Shepherd and John Wilson (2008) used gravity model simulations for Europe and Central Asia to reach the conclusion that an "ambitious but feasible" road upgrade could increase trade by 50%.

Likewise efficient ports are essential to trade. Wilson, Mann, and Otsuki (2003) in their study of trade facilitation in APEC used a measure of port efficiency (an amalgamation of port efficiency, port facilities and air transport efficiency) in a gravity model and from those conducted some simulations; they found that bringing below-average countries on the index up to the APEC average would produce USD 117 billion in additional trade within APEC (2003:16).

Finally, telecommunications have been shown to be critical – and probably of increasing importance. Examining at the impact of the internet, an early article by Freund and Weibhold (2000) looked at the role of potential commerce over the internet, again using a gravity model, and concluded that a 10% increase in the relative number of web hosts in one country would have increased trade flows by 1% in 1998-99. The explosion in connections all over the world has undoubtedly altered these estimations. Park and Koo (2005) found telecommunications infrastructure to be a significant determinant of bilateral trade levels. Wheatly and Roe (2005) looked at international trade in agricultural and horticultural commodities between the United States and its partners, and undertook some analysis that differentiated the export and import effects of internet infrastructure and cost; they concluded that telecommunication effects depend critically on the perishability of products. Today, one could guess that the great majority of searches for internationally supplied inputs and consumer goods begin with the internet – so being online to advertise, to purchase, and to search is important to international trade.

Similar conclusions are found in studies that measure the effects of multiple types of infrastructure together to examine the collective impact on trade. For example, Nordas and Piermartini (2004) look the quality of ports, the density of airports with paved runways, and the density of internet users and of mobile phone subscribers. They showed that port infrastructure matters for all sectors, while timeliness and access to telecommunication matters most in the clothing and automotive sector.

Case stories highlight that trade needs infrastructure

The case stories add colour into the antiseptic black and white pictures of the econometric studies. For example, one case story looked in depth at the interaction of trade facilitation and transport infrastructure. It concluded that road infrastructure in East Africa was in *"surprisingly"* good condition or in the case of ports improving condition; but rail and internal water shipping were severely deficient. The authors argue for more regional projects on the grounds that purely national projects, while easier to implement, do not remedy co-ordination failures at the regional level [Africa, 229].

Some sub-regions are beginning to witness joint activities to improve trade-related infrastructure. In Mozambique, the government invested in energy with the technical assistance of the Norway and the World Bank. As a result, investments from SASOL, the Pande-field, after a long and turbulent history, finally came on stream in 2004, as did the Temane field in 2010.

The governments of South Africa and Mozambique availed themselves of technical assistance from Norway to draft a treaty that eventually made the project economically viable by creating the legal framework to build a pipeline from the fields into South Africa and to Maputo. The total investment has been USD 191 million and will permit extractable gas equivalent to 440 million barrels of oil [Mozambique, 59].

Another example is electric power. Hallaert *et al.* (2011) showed that electricity access appears to be a main constraint to trade expansion, particularly the lack of reliability. Improving the reliability of electricity by 10% increased trade openness by almost 2% on average. The impact was larger on exports (2.4%) than on imports (1.7%). Zanzibar, together with the Union Government and Norway, provided NOK 400 million financed the installation of submarine cables connecting the electricity grid on the island Pemba to Tanzania. The 78 kilometre cable will replace 3 diesel generators, and increase electricity reliability, thus providing more efficient electricity to inhabitants for the next 20-25 years. This has had downstream effects: the availability of electricity made it feasible for the private sector to invest in a new hotel, with concomitant benefits for tourist export earnings [Tanzania, 135]. Similarly, Chinese technical assistance to Lao PDR led to the creation of an Overall Plan for Comprehensive Development of the Northern Area. This provided a blueprint for investments in, among other things, infrastructure. Subsequent investments prompted the expansion of new trade links with China [Lao PDR, 155].

One example of how improving port services are essential to trade is in Fiji. The government, with support from the ADB, invested in the ports of Suva and Lautoka on the island of Viti Levu. Originally built in 1963, the port facilities were run down by the time the project commenced - failing to meet modern standards and with insufficient space for container cargo. The project figured prominently in both the government's Strategic Development Plan 2003-2005 and the subsequent ADB's programme. As a result, investments lead to an increase in turnaround times, and productivity improved from 5.2 to 8 containers per vessel-hour. Moves per hour of cranes nearly doubled from 11 to 20 [Fiji, 29].

Improving roads is a common theme in the case stories. The Kyrgyz Republic and Kazakhstan collaborated to rehabilitate 226 kilometres of road between their respective capitals, Bishkek and Almaty. The project was coupled with technical assistance to improve customs facilities, including new equipment and training for customs officials. The ADB and the European Development Bank teamed up to finance the road work, implemented by the ministries of transport and communication in the two countries, and the EU's Transport Corridor Europe Caucasus-Asia Programme provided a parallel grant for customs reform. The programme had numerous benefits: best-practice were introduced into road planning and construction; and new livelihoods were opened up along the corridor, such as retail shops, taxis, car washing, roadside cafes, and hair salons. Border-crossings increased by 38% annually between 2000 and 2007, traffic volumes rose 25% (relative to 1998), and the Kyrgyz Republic's exports have risen 160% [Kyrgyz Republic and Kazakhstan, 10]. A similar story is told (without the quantitative detail) for the Rijeka-Zagreb motorway, a critical link between the Croatian capital and its primary port [Croatia, 228].

In the Mekong delta region, the governments of Vietnam, Lao PDR, and Thailand launched an effort in 1998 to connect their respective road networks in order to expand trade. With the support of the ADB, the project identified critical road links necessary to expand regional trade among the three countries. To support transport and facilitate trade, the authorities reached a Cross-Border Transport Agreement (CBTA) that covered nearly all aspects of goods and services flows – including customs inspections, transit traffic, and road and bridge design. As a result, average trade value rose by more than 50% - to USD 142 million in 2006-07 from 93.5 million in 1999-2000. Average travel times were cut by as much as half along the corridor. Time spent crossing selected borders also fell by 30 to 50%, and the average number of vehicle crossings per day increased. Finally, in June 2009, a CBTA agreement allowed issuance of licenses for some 500 trucks to operate along the corridor exempt from transhipment fees [Asia and Pacific, 9].

Some projects embedded improvements in road transport and other infrastructure with efforts to strengthen human technical capacities and productive capacities. One example is El Salvador's FOMILENIO project, an integrated rural development project that focuses on human development (through education and training), productive development (through technical assistance in entrepreneurial development and through investment in and loans to in six productive chains), connectivity (through the construction of the Northern Longitudinal Highway (*Carretera Longitudinal de Norte*) and investments in rural electricity. Financed by the US Millennium Challenge Corporation, the project has raised incomes, generated employment, and improved the rate of technological adoption [El Salvador, 233].

AID FOR INFRASTRUCTURE: RESULTS AT A GLANCE	
Greater Mekong Region	Average travel time between Savannakhet and Dansavanh reduced from 10–12 hours to 2.5- 3.0 hours and between Dong Ha and Lao Bao from 4 hours to 2 hours [East Asia, 9].
Fiji	The improvements at the King Wharf increased the load-bearing capacity, and containers moved per hour increased from 5.2 in 1998 to about 8 moves per hour [Fiji, 29].
Morocco	The programme led to an increase in road construction rate from 1000 km/year in 2002 to over 2000 km/year in 2009 [Morocco, 82].
El Salvador	634 km of new electricity cables that connected more than 7000 users for the first time; 950 solar panels were installed; an average of USD 41 was saved from electricity bills per family per year [El Salvador, 233].
Kyrgyz Republic and Kazakhstan	226 km of road were rehabilitated; custom procedures were improved; road traffic increased 25% and exports from Kyrgyz Republic to Kazakhstan increased by 160% [Kyrgyz Republic, 10].
Tanzania	A 78km-long cable gave the island of Pemba a direct link to Tanzania's electricity grid that will provide its electricity demand for the following 20-25 years [Tanzania, 135].

The stories also contain cautionary tales. For example, efforts to privatise railways in Southern Africa between 1990 and 2005, often with donor support, have largely failed because of process and design flaws in granting long-term concessions. The process took much too long, funding provisions were inadequate, the agreements were generally weak and the choice of concessionaires was often poor, in that there was a lack of serious bidders with appropriate skills and resources [Africa, 144].

Adequately functioning railways are fundamental to participating effectively in regional and global trade. Governments are just beginning to look for new ways to revitalise this infrastructure, often through public and private partnerships. Establishing well-functioning arrangements, however, is not easy and results are not automatic.[8] The success of any revitalisation effort hinges on getting designs right for anticipated volumes and speeds, getting operating regulations right to encourage full utilisation based upon adequate maintenance, and getting incentives right through correct pricing, investment provisions, and clearly stated obligations [Africa, 144].

Cautionary tales also extend to the social dimensions of infrastructure projects. One story noted that improved road infrastructure in the Central American - Mexico corridor could lead to the increased spread of disease, most worrisomely HIV/AIDs, if appropriate policies were not adopted [Central America, 3].

In Africa, it has been shown that transport schemes which incorporate health measures at the programme level can slow the spread of disease significantly. Only recently have similar programmes been incorporated in Central American road projects and these are too new to be evaluated. Another case story underscored the importance of linking infrastructure investments to design safety in highway construction and driver and pedestrian education. The UN noted that *"road crashes claim the lives of more than 1.3 million people and at least 50 million people are injured on the roads every year"* [Global, 236]. Similar issues were raised by the Economic and Social Council for Western Asia [Asia, 238]. Pedestrian deaths are particularly tragic because they are easily avoidable. Another case story from Africa, which has particularly high road-casualty rates, argued for setting up more adequate information systems, a clear locus of government accountability, regional targets for reducing casualties, public education, and improved road design.[9]

IMPROVING POLICY TO PROMOTE TRADE

If the economic literature emphasises one area that is essential to trade promotion – increasing exports, importing more efficiently or creating incentives for efficient import substitution – it is the policy environment. This common theme runs through Winters' twin reviews of trade and poverty reduction and trade and growth,[10] the OECD's extensive work in aid for trade, and the World Bank's and other multilateral development institutions' research on aid effectiveness. The potentially important role that policy can play in assisting workers and firms to move from pre-liberalisation uncompetitive sectors into post-liberalisation competitive sectors is a main focus.[11] The Aid for Trade Task Force recognised this when it emphasised the need for adjustment assistance to accompany the DDA.

Stories in this area can be grouped in three general areas: (i) support for *adjustment to changes in trade policy*, (ii) support for changes in national *development strategy*, and (iii) support for the introduction of *improved standards*.

Support for adjustment to changes in trade policies

Despite the importance of adjustment assistance, only three case stories dealt directly with comprehensive policy reform aimed at assisting firms and workers to adjust to a new post-liberalisation environment. [Mauritius, 131, China, 89, and Costa Rica, 157].

The Mauritius [131] story involves archetypical "trade adjustment assistance" as defined in the Task Force report. By 2006, Mauritius was suffering a triple shock – the phase out of sugar quotas, the end of the Multi-Fibre Agreement, 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.[12] In June, the government announced a major reform programme comprising 40 different policy initiatives. These included broad reductions in tariffs and the establishment of an "Empowerment Programme" to assist workers and firms during the adjustment period. In a co-finance arrangement with the French Development Agency, the World Bank provided several budget support loans totalling USD 175 million. FDI increased, exports rose, and growth rates rose from 1.5% in 2005 to over 5% in 2007-08 (before the "Great Recession" induced another slowdown in 2009). Despite the breadth of its reform programme and repeated requests for assistance, donors did not provide Mauritius with concessional lending because of its status as a middle-income country [Mauritius, 131].

To help China's agricultural sector adjust to trade liberalization associated with WTO accession, Canada's CIDA worked with the government to develop a programme to help small farmers adapt to import competition and new trade incentives. 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 marketing rules. The programme was effectively a pilot programme which eventually led to spin-off efforts that China is still implementing [China, 89].

Over the last several decades, Costa Rica has implemented an ambitious programme of trade opening which saw tariffs reduced from an average of 46.3% in 1982, to 16.8% in 1989, (after joining GATT in 1990 and CAFTA in 2009) to just 5.87% today. During this period, the government received external support from the IDB, the Central American Bank of Economic Integration, UN Economic Commission for Latin America, UNCTAD, the OAS, and the WTO. The assistance took different forms, including training for 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 free trade agreements with 42 countries – with the result that more than 75% of Costa Rica's exports enter foreign markets preferentially. 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].

Support for changing national development strategies

Experience has shown that trade reforms do not always deliver expected economic growth and poverty reduction benefits. Hallaert (2010) argues 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 to make a trade reform sustainable. Second, building infrastructure, supporting the financial and banking sector development, building public and private sector capacities or supporting some regulatory reforms are usually needed so that firms can take advantage of new price incentives.

Kenya, Ghana and Cape Verde launched comprehensive reform programmes as part of their national development strategies. In Kenya, the programme involved removing obstacles to private investment and growth. In 2005-2006 Kenya launched an inventory of all its business licenses, fees, and user charges – and concluded that the resulting number was simply too high (1,325) to be consistent with a growing private sector. The government eliminated 315 licenses, simplified 379 others, and retained just 294. Simultaneously, it created an e-Registry as a focal point for investors seeking information about obtaining licenses and operating a business. It also set up a Business Regulatory Reform Unit to oversee licences and to screen all new proposed regulations through a Regulatory Impact Assessment process. The case story claims that these efforts 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].

In the case of Ghana, its programme was more overarching, and entailed stabilizing the macroeconomic environment, strengthening the financial sectors, introducing new business registration procedures, developing infrastructure, and reforming the public sector, the legal system, and land and property rights. This programme became an organising vehicle for work with development partners, outlined in a signed memorandum of understanding, including DFID, DANIDA, IDA,GTZ, AfDB, IFC, EU, and the governments of France, Japan, Switzerland and the United States. The programme resulted in several procedural improvements that would appear to have lowered the costs of doing business and expanded trade [Ghana, 65].

For Cape Verde, its WTO accession process was a driving force for reform. The government committed to binding tariffs to an average of 19%. Because its tariffs were aimed primarily at raising revenue, the government embarked on a programme to reform revenue collection that went far beyond tariffs; – and, consequently, donor support in trade-related areas extended well beyond WTO technical assistance.. The programme included improvements in fisheries managements, infrastructure, telecommunications, airports and ports, as well energy and some business regulation. Although much remains to be done – particularly in business regulation -- the results so far include an increase in FDI and, most important, national income that have outpaced the rest of Africa in recent years [Cape Verde, 222].

Other countries reported on similar reforms with similar positive outcomes [Tanzania, 286; Uganda, 100)].[13] For example, Burundi [211] initiated major reforms to improve revenue collection from both tariffs and non-tariff domestic sources. .

Raising standards for products and labour

Meeting international standards can be a major obstacle for exporters, particularly in low-income countries, so the numerous case stories describing programmes to address this challenge are valuable. These include, among others, programmes in the Latin America [252] and [253], Bangladesh [208], the Caribbean [169] Central America [223] East Africa [61] and [92], Morocco [179], Pakistan [115], and Sri Lanka [91]. In the Gambia, for example, the EU (through its UNIDO-executed West Africa Quality Programme) supported a major effort to help firms raise quality to meet international standards. Even though implementation has lagged behind the original 2007 timetable – only two of six components are nearing completion – the programme established a National Standards Bureau in December 2010, to oversee national SPS and Codex standards for edible oil, labelling and advertising, and is nearing completion of metrology lab's refurbishment. The project has been extended for another year [Gambia, 45]. Meeting specialised standards might have been considered a "niche" market a decade ago, but today it is becoming more mainstream, offering exporters that achieve such standards significant growth and product differentiation potential. For example, certified-organic exports from Uganda have grown from USD 10 million in 2004-05 to USD 37 million in 2009-10 [East Africa, 102].

The work of the *Instituto Interamericano de Cooperacion para la Agricultura* (IICA) in Latin America is an example of the different ways that donor assistance can be used to promote international agricultural standards and exports. With support from the US Department of Agriculture (USDA), the IICA developed an ambitious five-year project, supplemented by WTO training courses, to encourage capital-based discussions on standards prior to each SPS meeting in Geneva [Latin America, 251]. IICA also put together a valuable tool kit to aid SPS compliance and to improve agricultural health and food-safety services [Latin America, 253].

IMPROVING POLICY: RESULTS AT A GLANCE	
Sri Lanka	Accredited laboratories saw their customer base (exporters) increase by 72%, and thanks to their improved services (and other complementary assistance to the sector) fish exports from Sri Lanka increased from 7,742 MT in 2002 to 15,014 MT in 2008 [Sri Lanka, 115].
Asia and Pacific	Improved fumigation techniques in Indonesia allowed the mutual recognition and avoidance of re-treatment in Australia, which saved an estimated USD 4 million; about 12 tonnes of ozone-depleting methyl bromide were not used thanks to effective fumigation practices [Asia and Pacific, 151].
Honduras	After reforming business regulation, the time needed to open a new business went from 62 days in 2005 to 20 days in 2008 [Honduras, 247].
Ghana	Regulatory reforms included the creation of the Commercial Court to speed the timing of commercial dispute resolution and contract enforcement [Ghana, 65].
Mauritius	Trade policy reform paid off especially in terms of FDI which five-folded from 2002 to 2007 reaching 11 million rupees; growth rates increased until the onset of the Great Recession [Mauritius, 131].
Central America	SPS capacity-building activities and improvements in sanitary regulation in Central America have contributed to generating over USD 100m in exports to the US market since 2006 [Central America, 223].

Source: Selected subsample of results taken from OECD/WTO case story database

For the standard-setting process to improve both product quality and market access, it must involve private actors as well as developing-country officials. One lesson from ITC's Ethiopian Coffee Improvement Project was the importance of involving buyers in the project's design. Their direct knowledge of export markets proved invaluable in designing effective interventions [Ethiopia, 75]. Similarly, involving LDCs in standard setting requires continuous training throughout the process of designing and implementing appropriate standards.

Labour standards are also important. In Cambodia, the World Bank's IFC joined with the International Labor Organization (ILO) to launch a programme called "Better Factories Cambodia" (BFC). The programme's monitoring mechanism involves unannounced factory-inspection visits to ensure that working conditions – *i.e.*, emergency exits, lavatory facilities, and hours worked – met 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 ILO. The programme was supplemented by training for supervisors and by an information management system to monitor working conditions. The programme is widely viewed as a success, improving not only working conditions but also productivity, as absenteeism and worker turnover rates have declined [Cambodia, 126]. Moreover, better labour standards attract reputation-conscious buyers who can now turn to the BFC for the monitoring results for a given factory. Using the BFC's factory-level data, Oka (2009) finds 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 in similar certification programmes in other countries - suffered fewer order cancellations than non-participating factories.

One emerging area of concern for developing countries is the way that private standards are increasingly impacting trade flows. These standards are often set by large importing retailers or their associations, sometimes with the informal or formal backing of home governments. 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 - which are of particular concern to developing countries [Global, 112].

BUILDING CAPACITY AND IMPROVING CO-ORDINATION TO ENHANCE TRADE

The largest number of case stories describe technical assistance to build government capacity and improve skills. Definitions of trade-related capacity building vary widely. The WTO's definition, for example, includes human capacity (training of professional negotiators), institutional capacity (customs and standards) and infrastructure capacity.[14] In a narrower approach, Prowse (2002) focused on the importance of a government's technical capacity to originate and implement a broad array of policies to enhance trade. She argued that government and donor efforts were too piecemeal to be effective, and advocated a more strategic and comprehensive approach; an argument that later would lead to the establishment of the EIF trust fund (see below). Whalley (1999), in a background paper for an OECD DAC experts meeting, adopted a similarly narrow definition of capacity building, which will be used in the following section.

Most case stories about technical assistance involved countries in sub-Saharan Africa, although there were also stories from Cambodia, the Caribbean, Cameroon and Comoros. While this category covered the most diverse activities, the stories tended to cluster around three types of technical assistance projects. One cluster involved efforts at the global, regional, and county level to *create knowledge and capacities* to help countries integrate trade more fully into the national development programmes. 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.

Programmes focusing on knowledge and capacities

At the national level, the EIF represents one of the most ambitious programmes to build capacity to formulate and implement trade policy. Born in 2007 out of earlier efforts to strengthen trade management capacities in LDCs, the newly "enhanced" IF has its own secretariat and Trust Fund (intended to reach USD 240 million). These resources were to be put at the disposal of LDC governments to remedy any shortcomings in technical staff and to finance small "seed" projects of their choosing. The programme also continued to finance Diagnostic Trade Integration Studies (DTISs), a programme begun in 2001 to examine an LDC's infrastructure, institutional, and policy obstacles to trade. These studies also highlighted technical assistance needs, around which donor aid for trade support could be mobilised.

Some 31 case stories mention the EIF, and several specifically recount EIF-sponsored activities to improve the design of trade policy. One example is Lesotho [150] which describes the decade-long effort to help the country deal with the enormous trade problems it confronts, including being landlocked, being dependent on the garment industry, and having limited technical capacity. The EIF-assisted effort was essential to helping Lesotho unlock donor finance for 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] tells of the long – and at times bumpy – road to implementing a consistent trade strategy with the support of the EIF and its predecessor. The 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. 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 - further complicated implementation. 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 mobilize 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 productive partnership with CUTS and the Finnish government to identify new potential for economic diversification, to promote awareness of trade opportunities through workshops, and to identify supply-side constraints (such as infrastructure) that the government could redress with donor support [Zambia, 180].

At the regional level, one of the most ambitious regional capacity building projects involved a 2006 joint venture between the Eastern and Southern African Management Institute and Lund University in Sweden, financed by Sida, to provide sustained vocational education and university training 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]. Another example of this kind of regional capacity building is an OAS-sponsored Masters degree programme for government officials at the University of West Indies [Latin America, 84]

At the global level, several case stories showcased efforts to mobilise information for the use of developing countries. For example, the ITC described its efforts to provide data on market access for developing-country exporters, including on tariff and nontariff 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-countries 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 far narrower user base - is UNIDO's *Trade Capacity Building Resource Guide* which is 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, an EU-sponsored research project on Gender and Women's Rights, a women and trade advocacy campaign in several international fora [Global, 50], and a training programme (which supported SADC's Gender Programme in Southern Africa) [Southern Africa, 55].

Programmes to enhance negotiating and implementation capacities

Aid for trade has increased the capacity of officials to negotiate effectively, to understand the full policy and legal implications of agreements, and to implement them once agreed. For example, the Organization of Eastern Caribbean States (OECS) participated more effectively in WTO negotiations because of the support it has received from the Canadian International Development Agency (CIDA) since 2000. The OECS set up a mechanism to improve coherence, culminating in full missions travelling to Geneva in 2005 with the support of the EU, among others (though sustainable funding remains a problem) [Caribbean, 259]. Likewise, several donors, including UNDP and WTO, have supported Madagascar's trade capacity strengthening programme since 2003 [Madagascar, 255]. Rather than training trade officials in one country at a time, another model involves bringing officials from several countries to a central location for training. For example, Singapore's Regional Trade Policy Course, organised jointly by the National University and the WTO, offers a three month course for senior officials from LDCs from the Asia-Pacific Region [Global, 262].

One requirement of WTO membership is a periodic Trade Policy Review of Member's policies. The WTO has recently piloted, in six countries, the inclusion of a review of aid for trade as part of the broader TPR process. One conclusion from this exercise is that it is particularly useful when governments and donors follow up on the analysis and recommendations provided by Geneva reviews – a step which Belize and the IADB have taken with great effect [Global, 205].

Funding support for the EPA negotiations was a common thread running through the case stories. The EU, through its "Hub and Spokes" programme, has endeavoured to strengthen the capacity of trade policy officials in the ACP countries to formulate negotiating positions in the WTO and in the Economic Partnership Agreements. 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 the funding of trade policy analysts for Dominica, Guyana, Jamaica, St. Lucia, St Vincent, and the Grenadines and Trinidad and Tobago. Collectively these efforts laid the foundation for Cariforum's negotiations with the EU on its EPA arrangements, for training staff in rules of origin, and later for setting up an implementation roadmap 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 trade policy analyst provided by the Hub and Spokes Programme helped the Ministry of Foreign Affairs to develop policy and negotiating positions on specific issues, notably trade in services [Caribbean, 182]. The case story provided by the Economic and Monetary Union of West Africa (UEMOA) describes a similar experience in its region [Africa, 33]. Sudan's description of its efforts to improve its negotiating capacity with the EU is also representative of other countries' experiences [Sudan, 93].

The United States has also offered assistance to implement trade agreements. One example is Vietnam which, with the help of USAID resources after 2003, mobilised 52 different agencies to train officials and to draft new legislation and regulations for WTO accession in 2007 [Vietnam, 232]. Partly as a consequence of these efforts, Vietnam has grown at more than 7% annually over the last decade, and its exports have risen from USD 18 billion in 2001 to USD 72 billion today.

Since 2000, the ADB has also taken a more regional approach to improving countries' trade negotiating capacities. First, it has pulled together detailed information on various free trade agreements (FTAs) and created a transparent data base for country negotiators, including analyses of trends, summaries of key provisions, and the preparation of a comparative toolkit on FTAs. Second, it has promoted regional capacity building through training courses and the publication of trade manuals (sometimes in partnership with the UNESCAP). Third, it has undertaken an extensive research programme examining, among other things, the benefits of FTAs and the DDA, the economic effects of integration, and trade costs. Finally, working with the WTO, World Bank, and other multilateral partners, the ADB has conducted an advocacy campaign for best practices in multilateral trade policy formulation [Asia and Pacific, 11].

For more than two decades, the IADB has also mounted a sustained effort to strengthen trade negotiators' capacity 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 (ALCA) negotiations, to the current focus on administering intra-regional free trade agreements, especially the implementation of market access commitments (including help with rules of origin) and improving trade facilitation (including the interoperability of single windows). The IADB's long-standing 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].

Through its TradeMark Southern Africa programme, DFID is supporting the efforts of three regional economic communities – COMESA, EAC, and SADC – to harmonise their trading arrangements, to promote the free movement of business people, and to facilitate the joint implementation of inter-regional infrastructure. This grew out of the Heads of State meeting in October 2008 which launched efforts to establish a Tripartite FTA (involving 26 countries) covering non-tariff barriers, rules of origin, customs co-operation, transit trade, trade remedies, SPS and IPR issues, among other things. TradeMark Southern Africa is providing technical support to the three secretariats, including the provision of short-term technical assistance, building analytical capacities for trade policy formulation, and improving negotiating skills. These efforts have contributed to the establishment of institutional structures to conduct the negotiations, to draft the Tripartite Agreement, with annexes, that will form the basis of negotiations, to draft a Roadmap outlining timetables for negotiations, and to support the preparation of negotiating modalities and rules [Africa, 49].

In addition to these direct efforts to strengthen negotiating and implementing capacities, there are programmes of knowledge creation and research that inform negotiators about the consequences of alternative policy formulations. The development banks, development institutes, universities and NGOs have produced a rich literature on the implications of the DDA, regional free trade arrangements, and bilateral trade and investment. These resources were generally not the subject of the case stories. Exceptions included the World Bank which described its analytical efforts in environmental goods and services, and the complexities, nuances, and potential of these discussions in the context of the DDA [Global, 167]. Another example was ODI's analytical contribution to the aid-for-trade discussion in West Africa, a contentious and important companion to the EPA discussions there [West Africa, 147]. Nevertheless, informative as these and other stories are, they represent a small tip of the massive research iceberg that has contributed to the understanding of collective trade action.

Ultimately these projects, like other forms of technical assistance, can rarely lay claim to direct export and import results. Nor can they be easily evaluated in term of their impact on the development-promoting quality of regional or multilateral trade agreements that emerge from the EPA or WTO negotiations– if only because these outcomes are the result of negotiations outside the power of any one actor to influence exclusively. Moreover, the evaluator does not know the counterfactual: would the EPA or intra-regional negotiations have had a different outcome in the absence of training and other knowledge dissemination? These qualifications notwithstanding, the case stories provide a rich recounting of efforts to empower negotiators and the general public with greater knowledge, and one finds little dissent in these stories about the value of these efforts.

Improving capacities to implement intellectual property rights

Several stories contained illuminating descriptions of improvements of specific capacities at the country level. These include aid for trade for technical assistance and capacity building designed to improve trade policy formulation, trade administration, implementation of SPS requirements, and better business regulations [Colombia, 227; Bangladesh 202; Botswana, 219; Vietnam, 195].

One recurrent theme was intellectual property rights. For example, the 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 during the course of 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. This training helped officials later to organise a larger effort in the form of sector-wide approach [Cambodia, 79]. In Vietnam, the Swiss government provided assistance to 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, enhance the provision of administrative services, teaching of IPR at universities, help with geographic indications, and the protection of traditional cultural expressions. It contributed to the adoption of a new law on intellectual property in 2005, setting up of IPR courts in 2007, an IP institute, and transfer of knowledge on valuation issues. Training to 240 enforcement officials was associated with acceleration in IPR enforcement cases and raids to shut down violators. With the assistance of follow up courses on Geographic Indicators (GIs) provided by the Swiss and France, the effort also prompted Vietnam to register three geographic indications – Lang Son Start Anis, Doan Hung Grapefruit and Vinh Orange. Vietnam and Switzerland later teamed up to provide similar assistance to Lao PDR [Vietnam, 96].

The International Centre for Trade and Sustainable Development (ICTSD), with financing from DFID, has provided technical assistance to five countries -- Sierra Leone, Uganda, Rwanda, Bangladesh, and Tanzania --to undertake needs assessments in the implementation of IPRs beginning in 2007. These efforts helped the countries take advantage of the WTO TRIP's Council invitation to submit needs assessments for possible donor finance, and by June 2010, all of the countries but Cambodia had submitted their assessments (and Cambodia is expected to do so in 2011). It is expected that the EIF will provide financing for follow-up technical assistance identified in the needs assessments [Global, 249].

In the Caribbean, 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 – are setting up a training programme for entrepreneurs in three products (Grenadian nutmeg, West Indian Sea Island Cotton, and one to be named from Belize) with the idea of helping them move up the value chain by developing quality brands. Similar activities are planned for training at the university level in three countries [Caribbean, 170].

Rarely in this type of aid for trade is it possible to trace direct results to productive outcomes. Global programmes may well lead to new insights that motivate policy makers and private actors, which may lead to new policies, which may in turn produce greater trade, rising incomes, improved gender equality and a better environment. IPRs may eventually provide dividends in terms of earnings to music and transitional knowledge and greater foreign direct investment – such as those that Vietnam has experienced – although the link between stronger IPRs and increased FDI has only been convincingly made to technology-intensive investments in middle-income countries.[15] But a few cases stories argued that new IPRs were crucial to increased 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 the fledgling generic drug industry. By 2010, sixteen 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, now 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]. Other similar stories, submitted by WIPO using its IP Advantage data base, are reported for beer exports from the Lao PDR [Lao PDR, 172] and Marula oil in Namibia [Namibia, 134].

UNDERTAKING PRO-ACTIVE INDUSTRY-SPECIFIC POLICIES

Industrial policy – *i.e.* government interventions targeted at promoting the growth of particular sectors – is one of the hot controversies in development economics. The purported purpose is to foment development in sectors in which countries have a latent comparative advantage, where there are positive spillovers in terms of technological advancement, employment, or other social purposes (*e.g.* poverty reduction or gender), and where policy can offset the costs of "discovery" of new products. As Harrison and Rodriguez-Clare (2009) argue, however, the argument for protection only carries weight when the country adopting the protection has a latent comparative advantage, such that the protection can later be removed.[16] Instruments typically used are tax breaks, credit and budget subsidies, reservation policies in government procurement, and trade protection. In trade policy, instruments have included trade-related investment measures, sectoral restrictions on foreign and/or private investment, and subsidies to technology policy.

Dani Rodrik, among others, has been a leading proponent of industrial policies to promote competitiveness. Much of his argument is predicated on offsetting the "discovery" costs essential to diversification, and on the desirability of certain product portfolios that lend themselves to inter-industry spillovers - an argument elaborated by Hausmann and Rodrik (2003). One justification for industrial policy generally is that it can help countries move into higher technology products that are more likely to lead to faster growth rates. Hausmann and Klinger (2006), extending work by Hausmann and Rodrik (2007), argued that certain types of products lend themselves to more rapid movement into other newer products or otherwise produced externalities, which were more amenable to rapid structural transformation and productivity growth.

Others, such as Pack and Saggi (2006), have taken a more critical stance, arguing that failures have been as common as successes, and that other variables, besides industrial policy, could as likely explain positive outcomes in regions such as East Asia.[17] Harrison and Rodriguez-Clare (2009), in one of the most comprehensive review of the empirical literature, conclude that the evidence is inconclusive. In reaching this conclusion, they draw a distinction between "hard" and "soft" industrial policy. "Hard industrial policy" in their formulation includes tariffs and nontariff barriers, exports subsidies, and tax-breaks for foreign and domestic corporations. They find little evidence that these policies can be predicted to lead to more rapid growth or diversification. They contend that these policies are too easily entrenched and are more easily subject to manipulation by interest groups. On the other hand, their formulation of "soft industrial policy" -- namely "programmes and grants to, for example, help particular clusters by increasing the supply of skilled workers, encouraging technology adoption, and improving regulation and infrastructure" (2009:76) – is often effective. A key characteristic is that these policies tend to expose supported activities to import and export competition rather than to protect them from it.

Focusing on exports, Lederman and Maloney (2010) probe in detail whether "what you export matters" and whether that would justify more aggressive industrial policies. Their conclusion is that: "*First, what you export probably does matter. Externalities exist…and there is no reason to believe that they are associated with all goods equally… Second, the literature still offers us no confident policy guidance on what those goods might be. … Our bottom line is that "How you export matters more."* (2010:85) That is, the way a country deploys its resources to raise productivity is more important than the basket of goods they produce.

Evidence from the Case Stories: Soft Industrial Policies

Industry-specific policies surfaced frequently in the case stories. The instruments used only infrequently mention the broad instruments commonly debated in the literature – tariff and nontariff protection at the border, tax expenditures, subsidies and procurement, as well as measures proscribed by the WTO, such as performance requirements and export subsidies.[18] More common are measures for specific industries to provide direct technical assistance on production techniques, help with meeting standards, up grading quality, information about foreign markets, concerted government efforts to overcome specific transportation or other constraints in the value chain, and often coupled with some small subsidies. The measures in the case stories tend to conform to the "soft industrial policy" of Harrison and Rodriguez-Clare (2009) or industry-specific versions of what Newfarmer, *et al.* (2009) called "pro-active" government policies.[19] These policies are intended to remedy market failures (such as in information about export markets), to increase exposure to competition by actively promoting entry, and/or addressing bottlenecks in the supply chain to lower the costs of trading.

Expanding exports at the intensive margin: up-grading quality

Many of the projects were intended to up-grade quality – working at the "intensive margin" with traditional exports. Many of these exports exhibited substandard performance, but had considerable potential if supply-side obstacles could be overcome. Providing technical assistance to improve quality or to reduce specific costs in the value chain of delivery to foreign markets were common objectives that, once achieved, had high pay-offs. Among these figured projects in Cameroon to improve bananas and plantain [Cameroon, 19], in West Africa to improve cotton [Africa, 30], EU efforts in Rwanda to improve the quality of tea [Rwanda, 194], in West Africa to improve rice [Benin, 13], in Ethiopia to improve coffee [Ethiopia, 75], UNIDO's work with Bangladesh to up-grade quality in the readymade garment sector [Bangladesh, 216], in Guatemala to improve organic crops [53], in Honduras to improve oriental vegetables [Honduras, 68], in Grenada to improve fisheries [Grenada, 67], in Peru to improve milk quality [Peru, 198], in Mozambique to revive processed cashew exports [Mozambique, 184], in Tanzania to improve coffee [212], and in Tonga to control fruit flies [99], as well as in Indonesia to improve dairy livestock [70], and in East Africa, to improve trade in organic agricultural projects [East Africa, 102], to mention a few.

Several projects were financed by donors to help producers in meeting *quality standards* in their home and other export markets. Examples include EU assistance for fish production in Fiji [196], Honduras [178], and Mozambique [141], as well as assistance to palm oil producers in Ghana [215].

One example of South-South aid for trade is the Cotton-4 project initiated by the Brazilian government in 2008 in Benin, Burkina Faso, Chad and Mali [Africa, 30]. Activities included refurbishing an experimental station in Mali and implementing an evaluation unit and technology showcase in Cotton 4 countries. The project also prepared a manual for best-practice farming techniques for Africa. Perhaps of more direct impact, the project introduced in Mali nine Brazilian cotton varieties. These efforts were complemented with technical assistance focussed on sustainable soil use and biological plague control. The project had dramatic results: yields increased threefold to 3,000 kg/ha. Overall the project forecast a 10% increase in the 2010 harvest. This project marked the expansion of Brazil's technical assistance to Africa to some 300 initiatives, with a budget of USD 60 million.

Sometimes donors' trade policies drove industries to change and improve. Such was the case for Caribbean rum producers who faced the prospect of losing their privileged access to the EU rum market with the phase out of quota preferences. Taking advantage of EU assistance, rum producers banded together, lobbied for a slower timetable for preference phase-outs, and invested in improving quality and product differentiation, with the result that exports actually expanded [Caribbean, 200]. The results of a similar effort by Fiji to adjust to EU reductions in prices and quotas are much less certain – in part because of the withdrawal of EU assistance in the face of "perceived noncompliance with the pre-requisites" of that assistance [Fiji, 243].

Diversification at the extensive margin: spurring new products

Soft industrial policies to promote diversification into non-traditional products – at the extensive margin – were also common in the stories. Grenada's effort to improve the quality of fishery products for exports offers an interesting example. To reduce its environmental vulnerability, Grenada tried to change its trade structure by diversifying into highly exportable sectors, including the fishery industry. This sector, however, faced nontrivial challenges, including strict international standards and norms for fishing, and local difficulties in storing and transporting fish. In 2003 Grenada was accepted into the EU's "Strengthening Fishery Products Health Condition Programme" which was launched in 2002 as a support mechanism to help third countries meet EU regulations in this sector. The project trained national inspectors in quality and gave advice to the fishing industry on improving its internal quality systems. It also provided a wide array of services in this area, inlcluding establishing a Produce Chemical Laboratory, funding EU study tours for inspectors and managers, supporting testing laboratories and technical institutes; providing technical assistance for writing quality assurance manuals and guidelines, assisting businesses to develop products, packaging, and increase value-added, and funding public infrastructure. Greneda's limited technical capacity was a constraint on the project, as were environmental setbacks (*i.e.* rising water temperature). Nevertheless, Grenada was included in the EU's List 1 of countries that can export fishery products into the EU as a result of the great strides it had made: the sector has a modern legislation, capacity was built at all levels of stakeholders (from auditors to individual fishermen and vendors) and equipped testing laboratories are readily available.

AID FOR PRO-ACTIVE INDUSTRY-SPECIFIC POLICIES: RESULTS AT A GLANCE	
Bangladesh	Families of the "phone ladies" of less than a dollar increased their income to USD 100 [Bangladesh, 64].
Benin	Exports of Nerica rice tripled from 2007 to 2009 [Benin, 13].
Burundi	The production of essential oils will provide employment for 40,000 families [Burundi, 18].
Cambodia	Almost 100% of rice production is now eligible for export to the EU [Cambodia, 139].
Caribbean	18 new brands of rum introduced into the EU market; 20% increase in direct female employment; 11 energy and conservation projects in 8 countries [Caribbean, 23]. 20 firms were assisted in modernisation and several reported reducing costs by 15-20% [Caribbean, 2].
Chad	The whole production chain of leather production was supported from 1,200 new knife/utensils distributed to butchers (200 butchers), to months of training for artisans working the leather (30 artisans) [Chad, 225].
Cote d'Ivoire	5,600 farmers were trained and they delivered 6,000 tonnes of certified cacao of higher yield and quality that led to increasing farmers' incomes [Cote d'Ivoire, 187].
Cotton 4 (Benin, Burkina Faso, Chad and Mali)	Farmers of organic cotton saw their gross margin increase by 30% and spend 90% less on input costs; farmers have also diversified and are producing sesame, shea nuts and hibiscus [West Africa, 37].
Fiji	6,000 ha of new cane were planted (represents 12% of total production) [Fiji, 243].
Ghana	Since 2009 (3 years into the programme of quality amelioration of palm oil) there has been no single alert or reported case of sub-quality palm oil export [Ghana, 215].
Honduras	A project to develop fishing capacities also led to the creation of 20 alternative products to traditional fisheries for Honduran farmers [Honduras, 178]. Newly introduced oriental vegetables produced USD 30 million of exports [Honduras, 68].

Source: Selected subsample of results taken from OECD/WTO case story data base

AID FOR PRO-ACTIVE INDUSTRY-SPECIFIC POLICIES: RESULTS AT A GLANCE	
Indonesia	Production costs for rattan furniture were cut by 15-20% and all companies that received assistance offered new and improved products [Indonesia, 185]. The eco exotic market expanded its exports by 9.8% [Indonesia, 71]. The streamlining of value chains, amelioration of quality produce, reduction of waste and costs gave cacao farmers a 20% increase in their income [Indonesia, 152].
Kingdom of Tonga	19% return on investment on the fruit-fly [prevention] project; the identification of the fruit fly saved the market [Tonga, 99].
Lao PDR	"Beerlao" accounts for 90% of the country's beer market [Lao PDR, 172].
Mali	Brazilian cotton variety yielded 3 times more produce than local variety [Africa, 30].
Mozambique	South African requirements of fisheries imports were met by Mozambique, thus allowing it to export to this country [Mozambique, 141]. The construction of a new pipeline for gas extraction, Mozambique will extract approximately 440 million barrels of oil from the Pande gas field [Mozambique, 59].
Namibia	By the year 2000, rural Marula oil producers were receiving over USD 60,000 annually, which they wouldn't have otherwise had [Namibia, 134]. Eudafano Women's Cooperative (EWC) is now the second largest Marula oil producer in South Africa and has engaged in multiple R&D and marketing partnerships with European firms [Namibia, 134].
Nicaragua	620 coffee and honey producers have significantly higher living standards and income [Nicaragua, 98].
Pakistan	Over 1000 farming households were linked directly to dairy companies, eliminating middlemen [Pakistan, 158].
Peru	Reducing drying time for maca from 3 months to 45 days, production costs and risks were reduced for the 184 families who also saw their incomes increase [Peru, 136].
Tanzania	Certified coffee farmers had net incomes 23% higher than conventional farmers as well as less pesticide related health injuries [Tanzania, 212].

Source: Selected subsample of results taken from OECD/WTO case story data base

The project was successful in increasing exports from this sector and improving the quality and variety of products [Grenada, 67]. However, other case stories underscore that this can be a hard area to get right. Only through the *"extraordinary commitment"* of staff and their creative solutions to problems ranging from lack of finance to poor testing facilities were Fiji authorities able to successfully implement new SPS standards for fish [Fiji, 196]. Mozambique successfully implemented standards for fisheries only to see rising fuel and other costs depress its exports [Mozambique, 141].

An example of non-agricultural technical assistance was the introduction of mobile telephones to Bangladesh [64]. By expanding into the mobile phone market, Grameen Bank equipped women with the capacity to connect disparate villages, to market better their products, and to become part of the formal financial system. This raised incomes of the "phone ladies" several fold, and transformed the lives both of the women and those benefitting from improved connectivity [Bangladesh, 64]. Simple technical assistance to mobile telephone regulators and operators in the Dominican Republic also helped that industry take off. As part of its FTA related support, USAID provided assistance to allow telephone numbers to be portable across carriers. Meanwhile new competition policies induced prices to fall and the market to widen [Dominican Republic, 231]

Another interesting example is rattan furniture production in Indonesia. With the support of Germany's GIZ, Indonesia undertook a study of the integrated value chain for rattan furniture exports, identified constraints (in productivity, human resources, knowledge of foreign markets, and capital), and worked with firms and workers in the industry to overcome them. The results (though subsequently adversely impacted by the 2008 downturn) include increased productivity, quality improvements, and a 16% increase in exports between 2009 and 2010 [Indonesia, 185].

Tangible results

This group of stories often included quantitative indicators of successful outcomes, such as increases in production, exports, and incomes, or even evidence of improvements in gender equality and environmental sustainability. For example, increases in exports were reported in Tonga [99], West Africa [13], Ethiopia [75], and Guatemala [53]. Women also benefited, according to some stories. A notable example is the Enterprise Uganda case story [Uganda, 116]; another is the rice technical assistance for the seven countries of West Africa, where some 80% of the producers were women.

These findings are consistent with more sophisticated econometric studies. Brenton and Von Uexkull (2009), for example, examine the effects of 88 export development programmes in 48 different countries. They found that, on average, export development programmes coincided with, or predated, stronger export performance. However, their conclusion are tempered by the lack of evidence of what would have happened in the absence of these interventions.

LEVERAGING THE PRIVATE SECTOR TO PROMOTE EXPORTS: TRADE FINANCE, EXPORT PROMOTION AND SKILL UP-GRADING

Aid for trade can support government efforts to promote exports in ways other than activity-specific industrial policies. Case stories that captured government efforts to mobilise the private sector – and particular constituencies -- for exporting generally fell into three broad categories: efforts to provide *trade finance*; efforts to develop *new sources of exports* (including specific programmes aimed at SMEs); and efforts to promote *women in trade*. Taken together, these case stories represented a fifth of the total submitted, and entailed a wide range of projects.

Trade finance

Trade finance is the lubricant of trade. It became more important in the wake of the 2008 slowdown as financial markets seized up, risk premiums rose, and advanced-country banks recalled funds in order to recapitalise (see Chauffour and Farole, 2009; Haddad, 2009; and Chauffour and Malouche, 2011). At the urging of the WTO and others, the World Bank, the EBRD, the ADB, and the Islamic Development Bank expanded their support to banks providing credit to developing–country traders.

This effort was highlighted in the ADB's Trade Finance Programme case story. The ADB provided finance for USD 2.8 billion of trade in 2010. It attracted USD 1.5 billion in co-financing, and worked with over 200 banks in 14 countries of East and South Asia. It also supported some 500 SMEs. Almost half of the trade it supported was South-South trade [Asia and Pacific, 8]. The EBRD reported on a similar programme designed to provide counter-guarantees to private finance. By 2008, the programme was active in 18 countries - including 56 participating banks and 119 confirming banks – and covered business volumes of more than USD 900 million. The programme also provided technical assistance to participating banks to improve the accuracy of operations. Two thirds reported significant reductions in processing time, and half reported improvements in risk management [Eastern Europe, 39]. The IADB also increased its trade finance activities through its Trade Finance Reactivation Programme. By the end of 2010, the TFRP had approved over USD 1.2 billion in credit lines, had issued guarantees of over USD 800 million, and had built a network of 72 issuing banks in 19 countries. Nearly three quarters of these banks count SMEs as their main business focus. As with the ADB, a large portion of the financed trade was South-South intra-regional trade (Latin America, 117]. In Central Asia, the Islamic Development Bank has also played a catalytic role in promoting the region's exporters, providing trade finance assistance and developing a Road Map for aid for trade within the region [Central Asia, 192]. The World Bank through its private sector arm, the IFC, doubled its Global Trade Finance Programme – a programme of trade finance counter-guarantees - to USD 3 billion and established a Global Trade Liquidity Programme that will provide USD 50 billion in trade liquidity support in public-private partnership.[20]

Access to credit generally, not just trade finance, is crucial for the private sector. Econometric results by Hallaert *et al.* (2011) show that limited access to credit is a significant barrier to trade. They report that a 10% increase in credit-to-GDP ratio boosts economic growth, through its trade impact, by 1.8%. This result is consistent with the finding of many developing countries; and according to the *Enterprise Surveys* (World Bank, 2010), access to credit is reported as a major business constraint.

Export promotion programmes

Efforts to promote exports were a common theme in many case stories. In the Caribbean, for example, the Caribbean Export Development Agency received assistance from the EU to provide support services to expand trade. The two-and-a-half year project, which ended in 2010 and involved EUR 6.8 million in funding, provided assistance to companies to up-grade product and service quality, increase productivity and reduce transport costs. Grants were made to 197 companies throughout the region [Caribbean, 207], with Trinidad and Tobago being among the successful users of this facility [Caribbean, 188]. Uganda also invested in export promotion, working with the ITC to undertake a firm survey that laid the basis for further financial assistance and policy revisions [Uganda, 77]. Tunisia's export promotion programme, Famex, was recently subjected to a series of rigorous impact evaluations [Tunisia, 130] which showed that the programme significantly raised export performance.[21] At the global level, the ITC continues to focus considerable energy on export promotion, including the development of a modular learning system for supply chain management. The programme is now offered in more than 120 licensed partner institutions in 61 countries. More than 25,000 people have taken part in the 18-module course [Global, 193].

Programmes aimed at SMEs

More than 20 case stories recount government efforts to develop and promote exports through a variety of different mechanisms. Some of these programmes involved training entrepreneurs, such as the EU-sponsored programme in Azerbaijan to help firms access the benefits of GSP [Azerbaijan, 12], or its"Coaching Exportador" programme in Chile [123]. Malawi provided training in business economics for SMEs [Malawi, 160], and Belgium has provided grants and training to small-scale producers and their associations in 18 developing countries, with a particular focus on sustainable trade [Global, 218]. Others stories highlighted efforts to promote the private sector more generally (*e.g.* Kenya's Private Sector Strategy [Kenya, 17] or Ghana's Private Sector Strategy [Ghana, 65]). Still others involved more ambitious programmes at the sub-regional level, such as the Caribbean Export Development Agency's efforts to provide an array of trade and investment services to firms in the region, supported financially and technically by the EU, DFID, GIZ, CIDA, ITC, the IDB, OAS, and World Bank, among others [Caribbean, 20]. The Inter-American Investment Corporation of the IDB has a similar programme, first focused on Guatemala but now expanded to all Central America and the Caribbean countries, aimed at helping SMEs to access export markets by researching new markets, gathering data on company operations, and providing technical assistance to select groups of applicants [Central America, 121].

Other stories focused on ways aid for trade could be used to help SMEs develop environmentally sustainable technologies. The Swiss government, in collaboration with UNIDO and UNEP, developed a programme in Colombia to help companies deploy environmentally sustainable technologies along with other SME-support programmes, such as marketing advice, meeting international norms and standards, and improving management [Colombia, 183]. Likewise the Netherlands' Sustainable Trade Initiative (IDH) provides matching grants designed to help SMEs export to the EU market based on sustainable technologies and fair labour practices [Global, 256]. UNCTAD and UNEP have helped establish organic production programmes in several countries of East Africa [East Africa, 102].

Programmes benefiting women entrepreneurs

Besides trade finance and export development, many stories recount public and private efforts to raise incomes of women through trade. These take different forms. One story that combines efforts to improve women's incomes with the protection of indigenous knowledge through the patent system emerged in Namibia. The Marula tree produces a plum-size, yellow fruit with seeds that are rich in oil that was used for centuries in skin moisturizing and cooking. In 1999, an NGO suggested producing Marula oil in higher quality so it could be sold to the pharmaceutical industry. It formed a women's cooperative, the Eudanfan Women's Cooperative (EWC), to set up an export activity. By 2008, the EWC had over 5000 women in 22 groups producing Marula oil from wild trees. These products are sold to The Body Shop, Marula Natural Products of South Africa, and Distell, among others. This laid the basis for a French company, Aldivia, to launch an R&D effort in partnership with PhytoTrade, a fair-trading sponsor of EWC, and Natural Products of South Africa to launch an R&D effort that led to the "Ubuntu" proprietary process to manufacture solvent-free cosmetics. In 2006, Aldivia and South African partners took out a patent on the process, and today, sales of the Marula-based products command a price four times other cosmetics. The EWC has branched out into other export product lines as well. In 2010, they began to market "ondjove" cooking oil and other food oils at the Windhoek Tourism Expo in June 2010. As a consequence, incomes of women producing the Marula were reported to have risen dramatically [Namibia, 134].

Several stories recounted government and donor efforts to use trade to raise female incomes. The Canadian government and the ITC sponsored a "Programme for Building African Capacity to Trade (PACT)" that is active in Ethiopia, Ghana, Mali, Mozambique, Senegal, South Africa and Tanzania. This programme has a sub-programme focused exclusively on women, *Access! African Businesswomen in International Trade*. The programme was designed to provide several trade-related services in an integrated way: training in exports; training in information technology to gain market information; expert advice on market readiness; and market access missions. These efforts resulted in 600 small farmers in Ghana exporting 210 tons of fresh fruit and vegetables a week to Europe. Two South African cosmetic companies now export to Canada. The *Design Africa* brand, developed with the South African Textile Industries export Council, was also successfully introduced into the North America market. The *Access! Programme* involved 22 training modules for African businesswomen with 46 trainers in five languages, and certified more than 770 women in 11 countries [Africa, 46; Africa 119].

Similarly, Enterprise Uganda, set up with Norwegian help in 2001, was initially designed to provide integrated business support services to SMEs, but later came to focus almost exclusively on women entrepreneurs. The project provided training for some 3,832 women entrepreneurs in business management, many of whom lived in rural areas and were illiterate. Training was often coupled with health education focused on HIV/AIDs prevention. As a consequence, sales associated with women in the programme increased by more than 50% in two years, employment rose by 500 people, and investment increased, as did tax revenues. In general, women in cities improved their outcomes more than women in the countryside. Despite these successes, the activities of Enterprise Uganda are unlikely to be sustained without continued public sector support [Uganda, 116].

Involving women in the policy process can improve regulations for everyone. In Cambodia, the Ministry of Women's Affairs and the World Bank's IFC organised a forum to involve women's organisations in the policy making process, and to address concerns about taxation, corruption, lack of transparency in laws and regulations. The IFC's project manager used the *World Bank's Gender Dimension of Investment Climate* Reform, as a guide to help integrate gender-based concerns in the design of programmes. These ideas, according to the IFC project leader, led to increased women's participation, and to more effective lobbying for women's interests. One outcome is that it is now easier to obtain the certificates of origin (including lowering the cost of the certificate from more than USD 100 to about USD 1.25) required for exporting. The Executive Director of the Cambodian Craft Cooperative, with 2,000 members, found the forum helpful in expanding exports [Cambodia, 125].

Policy research that links trade and gender can also play a positive role. UNCTAD teamed up with DFID to undertake studies of the gender impacts of trade with a view to shaping policy in India. The analysis reported in the case story found, among other things, that *"export intensity has a positive and significant impact on women employment. But imports have not led to any displacement of women employment"* [India, 56]. The authors propose gender-sensitive trade policies that would favour sectors with female employment, enhanced opportunities for women's education, and further studies of the gender impact of trade in India.

LEVERAGING THE PRIVATE SECTOR: RESULTS AT A GLANCE	
Latin America	The Trade Finance Reactivation Programme has formed a network of 72 issuing banks in 19 countries, with trade transactions over USD 1 billion; 73% of banks focused on SMEs [Latin America, 117].
Samoa	Women in Business Development Incorporated (WIBDI) has helped over 350 farms become organically certified by the National Association for Sustainable Agriculture Australia (NASAA); a commercial contract with The Body Shop International was signed for the production of 10-30 tonnes of organic virgin coconut oil a year [Samoa, 257].
South Africa	Women-led development of a nano-technology water-sanitizing product is sold to the UN and NGO's worldwide [Africa, 46].
Cambodia	Women entrepreneurs saw their exports increase when certificates of origin were priced at USD 1.35 instead of the initial hundreds of dollars [Cambodia, 125].
Tunisia	Export diversification in products and markets led to an increase of USD 319m by the end of May 2010. [Tunisia, 130].
Colombia	In-plant technical assistance for environmental assessment resulted in 158 firms reducing water and energy use by 2-4 times, solid waste reductions were halved, CO2 reductions were also reduced even beyond the project's target [Colombia, 183].
Africa	The Ethical Fashion programme established 7,000 jobs for women in rural areas, 80% of participants said the production orders received through the programme allowed them to provide for their family, 88% said their new ability to make independent financial decisions thanks to the new income was the most important change in their lives. [Africa, 76].

Source: Selected subsample of results taken from OECD/WTO case story database

LESSONS TO IMPROVE EFFECTIVENESS

The great majority of the programmes and projects in the case stories reported at least some elements of success. While this reflects to a certain extent the selection bias of the sample, several common "success factors" were reported which reinforced messages coming out of the larger evaluation literature.[22] These include:

Ownership is crucial… in the form of government commitment and high level leadership...

The most frequently reported success factor was national ownership of the aid-for-trade activity, mentioned in 120 of the 269 stories. This stands to reason because without active government involvement and sponsorship, projects can rarely succeed. One frequently reported manifestation of ownership was government commitment to the activity or projects. Sometimes the stories mention involvement of ministers or, less frequently, the President or Prime Minister [Mexico, 114; Kyrgystan, 186]. This was commonly seen as necessary prerequisite to pushing the project through recalcitrant bureaucracies or resistive private-sector lobbies. In Peru [137], high-level government involvement is also credited with providing the initial push to economic reforms, as well as continuous follow-up. Zimbabwe [107] reports that support *"and commitment at the highest political levels [was] essential for the Chirundu One Stop Border Post to become a reality"*. The opposite is also true: the lack of high-level and dedicated leadership in the initial days of the Beitbridge Border Post impeded steady progress in an otherwise valuable project [Southern Africa, 267].

…built upon active participation and involvement of stakeholders...

Two building blocks contribute to national ownership: first, increasing local stakeholder involvement in the preparation and implementation of the activity; and second, mobilizing the private-sector support to advocate on behalf of the project and to anchor it through changes in administrations and governments. Together, these twin elements were reported as success factors in 93 of the 269 case stories. Participation can occur at several levels. For example, the AfDB writes that in Africa [1] the most important lessons taken from efforts to connect the electricity grids of Nigeria, Togo, Benin, Ghana, Côte d'Ivoire, and Burkina Faso was the need to ensure country ownership of, and government commitment to, the programme from its initial design. At another level, one of the factors that made the Cameroon Customs Reform project a success was the involvement of local customs inspectors in the design of performance contracts that would be used in their evaluation [Cameroon, 164]. The participation of trade associations in Honduras [247] was also crucial to the success of their trade programmes. And in Southern Africa, the Confederation of Agricultural Unions provided advice on agricultural standards to trade negotiators and SADC [Southern Africa, 204]. Similarly, reforms to promote more efficient institutional arrangements in Guyana, supported by the IADB, were predicated on effective stakeholder involvement: *"The stakeholders buy-in into the trade reforms is as critical to success as the political will of the public sector to sponsor or facilitate same"* [Guyana, 245].

Lack of local government involvement can lead not only to the misrepresentation of stakeholders' interests, but to a lack of government commitment and ownership that can undermine success [Gambia, 45] and endanger the continuation of the project once external funding and assistance ends [Solomon Islands, 90]. In Africa [15], one recommendation is that private–sector representatives, such as selected chambers of commerce and business associations, should be directly involved in the design and implementation phases of projects.

...leveraging partnership at the inter-ministerial level...

Trade policy is interdisciplinary by nature, and thus co-ordination and co-operation among the numerous actors is critical. Ministries of trade, economics, infrastructure, agriculture, industry, just to name a few, must work together for efficient policy. Saner (2010) identifies three roles that inter-ministerial co-ordination plays: to eliminate policy and project redundancy and duplication; to manage cross-cutting issues [*e.g.*, democracy and human rights, environment sustainability, gender equality and HIV/AIDS]; and to integrate numerous international trade agreements and trade policies in a coherent manner. UNCTAD lists inter-ministerial co-ordination as a crucial first step for implementing successful trade policy.

The case stories highlight partnerships as a key factor in a project's success -- or failure. For example, as Costa Rica sought to attract FDI, in order to link the country with global value chains, the lack of co-ordination among public institutions was cited as major factor holding its initiative back [Costa Rica, 156]. In the context of SPS regulation, the ministries of health, agricultural and environment all played a role. CAFHSA's objective was to assist CARICOM states to attain international standards to boost their exports of agricultural goods. However, the lack of initial agreement regarding CAFSHA's scope meant that co-ordination between the relevant ministries and stakeholders was absent, delaying the whole programme [Caribbean, 24]. In the context of developing North-South regional corridor, the EAC addressed the challenge of inter-ministerial co-ordination within and between its member governments by strengthening the role of the EAC Secretariat in long-term planning and co-ordination, but leaving implementation in the hands of member states [East Africa, 229]. Following WTO recommendations, the Malawi government set up an inter-ministerial Task Force on Trade Facilitation (TTF) that included three ministries, in addition to numerous public institutions and private sector actors. The TTF's main role was to coordinate all trade facilitation initiatives at the country and regional level. The TTF was considered the main factor behind the trade facilitation initiative's success [Malawi, 7].

…as well as donor partnerships

Another common theme was the need to integrate the combined expertise of donors to achieve a project's or programme's objective. Transport corridor projects, for example, typically have donors working together on several component parts, building toward a larger whole. For example, 503 km of the Silk Road were divided into 8 sections under the Silk Road Rehabilitation Project that entailed the involvement of numerous MDBs and IFIs.[23] Azerbaijan [74] recommends that multi-donor projects such as Silk Road work best when a single development partner acts as the leader of the co-ordination process. This is analogous to the EIF model which provides for one "donor facilitator" for all aid-for-trade projects. On the overall trade facilitation strategy in Nigeria, *"the key factor for success is the integrated partnership approach with the inclusion of most stakeholders and also including the organised private sector and the close interaction with the Development Partners which permitted closer alignment of their programme support"* [Nigeria, 7]. A shared committment and vision among all partners was also the key to the success in projects to promote organic agricultural goods in East Africa [102] and improve standards in Latin America (with the support of the US Department of Agriculture and the WTO) [Latin America, 251].

Table 5.3 The most recurring lesson is the need to enhance national ownership
Number of stories mentioning a particular lesson

Lesson / Author	Recipient Government[a]	Donor Government	UN[b]	MDBs	Private[c]	Total
1 National ownership	56	38	16	8	2	120
2 Increasing local participation (*i.e.* mobilizing support of private sector)	37	27	21	5	3	93
3 Value of integrated development programmes (*i.e.* infrastructure studies/ training/field)	23	15	8	4	2	52
4 Adequacy and reliability of external funding	27	8	7	2	3	47
5 Feedback loops between government and stakeholders	19	12	3	1	3	38
6 Flexibility in project design	12	13	6	1	4	36
7 Exogenous factors	8	4	2	2	3	19
8 Sustained interest of donors	5	7	3	3	1	19
8 Sustained interest of donors	5	7	3	3	1	19
9 Multilateral knowledge married with local knowledge	3	5	5	1	1	15
10 Intra-governmental and interministerial	9	2	2	0	1	14
Total Number of Case Stories by Author	**106**	**71**	**55**	**25**	**12**	**269**

Note: Columns don't add to the totals because a given story can mention more than one lesson

Source: WTO/OECD case story database

Adequacy and reliability of external funding

One recurring brake on project success was inconsistent funding mechanisms and/or inadequate continuity in funding. In one example, Malawi [161], it was noted that although the funding had been accepted for the project it was not disbursed in time, which disrupted the sequencing of activities. Some projects were not felt to be adequately funded, for example Cambodia [79], but it was unclear whether this reflected donor disenchantment for project-related reasons, or donors being swayed by development fads. In Tonga [99], the case story recommended that project funding address all outstanding needs, such as the travel expenses for a technician called to maintain mechanical equipment. Other stories also emphasised the importance of predictable and reliable donor financing [*e.g.* Ethiopia, 190]. Mauritius undertook a major set of policy reforms, but its concessional finance requests were unmet because of its middle-income country status [81]. It did, however, receive timely non-concessional support from the World Bank and the French Development Agency [Mauritius, 131]. Fiji lamented the fact that donor disbursements appeared to be driven more by end-of-fiscal-year timetables than project needs [Fiji, 244]. As might be expected, the case stories tended to assign blame for these problems – whether with the donors or with the developing-country government – depending on the institutional affiliation of the author.

Feedback loops linking government and stakeholders

Continuous feedback between governments and stakeholders is critical to national ownership and local participation. Potential problems can be identified at an early stage, increasing the speed with which they can be resolved [Caribbean, 2]. In Kenya [17], the success of business regulatory reform was mainly the result of close co-operation and co-ordination between the government officials and all the stakeholders in the reform process. In collaboration with UNCTAD, India developed strong stakeholder consultation mechanisms as part of its policy formulation technical assistance programme, and this contributed to its success. [India, 53]. Grenada's case story pointed out that feedback and co-operation can lead to strong ownership and thus more sustainable projects [67]. The effort of the Dutch Sustainable Trade Initiative was predicated on *"forging enterprising coalitions between government agencies, companies, trade unions and social organisations… to jointly transform the market, and make sustainable production and trade the norm"* [Global 256]..

Integrated projects that combine investments with technical assistance

Several case stories mentioned the need for complementary investments in both equipment and capacity building. For example, a Korean government sponsored capacity building programme in Cambodia [79] budgeted for office equipment and maintenance. Conversely, when new IT-based postal procedures were introduced in Brazil [16] as part of the *Exporta Facil* project, training sessions were organised for postal workers, government officials and customs agents so they could manage the new systems.

Delays and changes can occur due to exogenous factors such as natural disasters, political crises and global recessions

A number of case stories note that there are always unforeseen and idiosyncratic risks that projects must adapt to and deal with as efficiently as possible. For example, programmes in Grenada [67], Azerbaijan [74], and Montserrat [5] faced significant delays and cost overruns due to natural disasters in their respective regions, but managed to resume progress after the crises. In Fiji [79], Ecuador [44] and Honduras [101], political instabilities lead to temporary stoppages but there too projects were resumed. The recent financial crisis also interfered with projects in Ghana [128] and the Caribbean [24]. On the other hand, the ADB's Asia Pacific story [8] notes that its activities helped to mitigate the impact of the financial crisis.

CONCLUSIONS: WHAT IS WORKING?

Notwithstanding the limitations of the case story approach (see Introduction), a careful reading of the case stories gives rise to some tentative conclusions about what is working – and what might warrant further attention. Due to the inherent limitations of case stories as an evaluation tool, the following observations are intended to encourage further investigation rather than as the last word on the subject.

What is working well?

Volume

The sheer quantity of activity described in these stories suggests that aid for trade efforts are substantial, that they have taken root across a wide spectrum of countries, and that are becoming central to development strategies. The fact that nearly 40% of the stories are provided by developing countries underlines the salience of these programmes in the field - and the importance of making them work. Recipient governments are clearly interested in gaining access to global information and knowledge on ways to harness trade to promote growth and raise incomes.

Reach

The diversity of stories also reveals some activities that do not show up clearly in the OECD CRS's aid-for-trade data. For example, few of the stories from middle-income countries in Latin America and other relatively well-off regions involve ODA financing, and thus remain invisible to definitions of aid for trade. Moreover, projects undertaken by the private sector arms of multilateral and bilateral agencies – which also figure in the case stories - are for the most part not included in the OECD Aid for Trade CRS proxies. This is an important message for trade negotiators who often focuses more on the dollar amounts transferred than on the intrinsic value of capacity building, policy studies, technical assistance and knowledge transfers.

Results

Four case stories reported on econometric studies that attempt to establish links between aid for trade and trade and investment outcomes across large samples of countries. The Commonwealth Secretariat reports on studies that show a doubling of aid for trade for infrastructure, for example, would be associated with a 3.5% increase in merchandise exports, while a doubling of aid for trade facilitation would lower import costs by 5% [Global, 34]. Similarly, UNECA reports that its African econometric studies show that an increase of 10% in aid for trade is associated with a 0.4% increase in the index of economic diversification. Aid for trade also has a statistically significant impact in lowering container shipping costs [Africa, 104]. The ODI studied whether grants help to leverage additional resources.

SOUTH-SOUTH AID FOR TRADE AT A GLANCE	
Bolivia	Argentina began providing technical assistance to slaughterhouses and meat transport in highland Bolivia in 2007 [Bolivia, 197].
Cotton-4	Substantial technical assistance and development programme for the Cotton-4 countries to improve their varieties and yields of cotton [Brazil, 30].
China	Reported on its help to Lao PDR in the planning for the development of selected northern regions [Lao PDR, 109].
El Salvador	Japan and Chile teamed up to arrange for ProChile, an export agency of Chile, to provide technical assistance in various forms to the export programme in El Salvador over a three year period 2006-09 – including the provision of training on international fares, provision of firm-level assistance in exporting, diagnostics, and visiting overseas offices of ProChile in Costa Rica [El Salvador, 123].
Global	The Singapore Co-operation Programme has several technical assistance and training programmes in countries all over the world, particularly in Asia. Begun in 1992, the SCP has trained more than 70,000 government officials from 169 economies [Global, 263].
Honduras	Chinese Taipei provided technical assistance to oriental vegetable growers in Honduras, introducing high yield and pest resistant varieties, and providing assistance in export packaging [Honduras, 68].
Korea	Technical assistance programme for Cambodia to train trade officials [Cambodia, 79].
Lao PDR	With the support of the Swiss, Vietnam provided some technical assistance on IPR to the Lao PDR [Lao PDR, 96].
Nicaragua	Through its FO-AR programme, Argentina also provided capacity building resources to Nicaragua's National Technological Institute (INATEC) [Nicaragua, 199].

Source: Selected subsample of results taken from OECD/WTO case story database

It found that one unit of grant financing mobilised 5-6 units of loans and some 15 units of other finance [Global, 85]. Finally, the United States reported on the evaluation of its trade-related projects.[24] The review looked at 265 projects started between 2002 and 2006 involving more than 20 US agencies and totalling USD 1.5 billion in resources. It concluded that projects *"that combined modalities (technical assistance, training, equipment) and those that combined efforts to expand exporting with policy improvements were synergistic in ways that raised project success scores, but this was not true for projects that focused on exports from multiple sectors"* [Global, 201].

South-South co-operation

Another emerging theme in the case stories is *South-South co-operation*. This is part of a broader trend observed by Fengler and Karas (2011) that non-DAC donors and philanthropic organisations have grown to provide some 37% of development assistance in 2008, up from just 5% in 1992.[25] The case stories contain several examples of South-South aid for trade, and not just of middle-income countries helping low-income countries. Rwanda's revenue authority, for example, teamed up with several donors to help Burundi improve its tax collection [Burundi, 211]. Moreover, the demand for South-South assistance is rising. The lesson learned from a project in Jamaica, for example, was that *"there should be increased south-south involvement in technical assistance"* [Caribbean, 182].

Export promotion through soft industrial policy

Finally, the apparent success of "soft industrial policy" -- or industry-specific, pro-active government policies -- in the case stories is notable. This category of aid for trade reported the highest percentage of positive effects measured in terms of outputs and outcomes. The projects generally appeared to be both pragmatic and fruitful, and often translated into benefits for low-income participants, including women. This suggests that governments and donors might want to review their project portfolios to see if shifting scarce in-country resources into these types of projects - and away from more general projects with less specific benefits - might be beneficial.

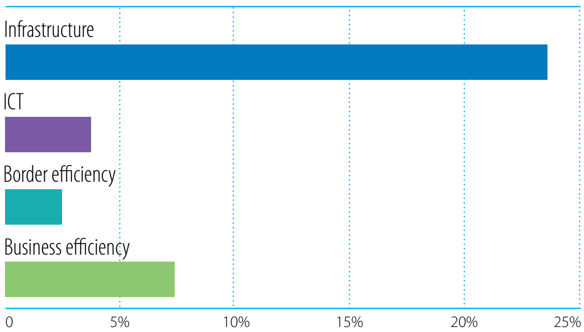
What requires further study?

Possible Attention Gaps

There were several "gaps" between the focus of the case stories and the overall investment of aid for trade resources. For example, the relatively small number of infrastructure stories may indicate that trade officials are paying too little attention to this area. In 2009, infrastructure constituted some 47% of all aid- for-trade disbursements26 and, according to one study, was among the categories of aid for trade had the strongest direct impact on trade performance (Figure 5.2).27 But infrastructure was the focus of just over 5% of the stories submitted. As noted above, this low share may be because stories with a transport component were classified as "trade facilitation" or some other category. But it also may be because trade ministries have little direct influence over infrastructure activities – or because many governments see infrastructure and services as largely unrelated to trade.

Figure 5.2 Though countries differ, improvements in infrastructure often have the highest pay-offs in export growth...

Africa: Average increase in exports by improvements to half the level of the best performing countries



Source: Calculated from Portugal and Wilson, 2009

This sampling deficiency is not limited to responding governments. The largest providers of aid for trade to infrastructure are the multilateral development banks. However, their submissions also emphasised activities other than infrastructure. Although they provide 80% of the funds for infrastructure investment in low-income countries, infrastructure stories amounted to only 8% of their stories.

Likewise, there is an imbalance between the relatively small proportion of services-trade case stories and the importance of services in international trade. Only nine of 269 stories referred to services trade, yet cross-border business services represent the fastest growing segment of international trade.[28] Services also provide critical "complementary inputs" that determine firms' competitiveness internationally. Even in areas that are well represented in the case stories – such as trade facilitation – services policies affecting project objectives were often neglected, including, for example, trucking, brokers, and freight forwarder services.[29] Only St. Vincent and the Grenadines [264], Guadeloupe [188], Niger [83] and Cambodia [79] focused on services trade. It is worth asking whether this reflects a failure of both governments and donors to pay enough attention to the role of services in international trade.

The silence of the international community on the issue of *aid for trade for adjustment* is also noteworthy. Only three of the 269 stories linked development assistance to the implementation of trade reforms. Yet adjustment assistance was a major rationale for the Aid-for-Trade Initiative, and a key component of the WTO's 2006 Task Force Recommendations. One reason for this absence may be that budget support assistance – the main form that adjustment assistance takes – often involves a "package" of policy reforms, including trade, and thus the relevant policy makers were simply unaware of the call for trade-related case stories. The silence on adjustment assistance may also reflect shifting concerns of the trade community. The previous preoccupation with adjusting to lower tariffs and shrinking preferences has diminished in light of the DDA's slow progress, and countries are now more concerned with overcoming supply constraints to take advantage of market opportunities. The absence of adjustment assistance stories may also reflect the lack of knowledge among donors and development practitioners about how best to design trade-related adjustment programmes.

Table 5.4 Case stories with Quantitative Indicators of Results

Theme	Number of Case Studies	% of Case Studies with output	% of Case Studies with Outcome
Trade Facilitation	48	38%	19%
Infrastructure	14	64%	29%
Improving Policy	42	50%	14%
Building Capacity	66	45%	8%
Industrial Policy	47	43%	43%
Private Sector	52	44%	33%
TOTAL	**269**	**119**	**60**

Author	Number of Case Stories	% Case Stories with Output	% Case Stories with Outcome
Recipient Government[a]	107	46%	14%
Donor Government	71	49%	25%
United Nations[b]	54	35%	24%
Multilateral Development Banks	25	52%	44%
Private[c]	12	42%	33%
TOTAL	**269**	**121**	**61**

Notes:
a Includes stories from regional economic communities and organisations
b Includes other international organisations
c Includes NGOs and un-affiliated authors

Source: OECD/WTO Case Story Database

Lastly, it is worth noting that relatively few stories mentioned the vast research that international organisations and donors have undertaken - and continue to undertake - in areas related to trade, to say nothing of similar work by universities, NGOs, and the private sector. This work tends to fall within the province of the research groups in multilateral development banks, the OECD, selected UN agencies, and specific government agencies, and is thus two steps removed from the call for aid for trade case stories. Nevertheless, as a guide to policy options, the extensive research that has been undertaken on the DDA, regional trade agreements, and domestic trade and investment reform is a more important aid-for-trade "resources" that the few case stories reporting these activities would suggest.

Imbalances in emphasis?

The collection of case stories generally gives more weight to the exports side of trade than the import side. To measure their relative emphasis, clusters of words associated with exports and imports were created, and then counted in all of the case stories (see Annex 5.B) – a methodology recently used by the OECD to identify emphases in trade-related development projects.[30]

Stories generally emphasised export performance rather that import efficiency. References to exports dominate imports by a ratio of more than 4 to 1 (see table in Annex 5.B). To be sure, trade facilitation programmes dealing with border posts or infrastructure often reduce dead-weight costs on both sides of the trade balance. However, policy makers and donors need to pay as much attention to importing efficiently -- including reducing "shoot-yourself in the foot" tariff and nontariff barriers – as they do to promoting exports. The good news is that the story collection holds many examples of effective customs reforms which increase competitiveness by importing more efficiently.

Performance outcomes, by this methodology, were more often focused on gender issues than poverty reduction. Counting words associated with poverty, incomes, employment, environment, gender and health indicated that the stories were most interested in gender, which was referred to twice as often as the next most frequently measured variable, the environment. This may reflect the special efforts of international organisations and donors to showcase their work on gender.[31]

Gaps in quantitative measures of success?

Another noteworthy feature of the stories is the relative absence of quantitative benchmark indicators of performance in either number of outputs or in outcomes measured against carefully formulated baselines. To be fair, the original call for stories did not solicit this kind of information, so it not surprising that reporting on these benchmarks was spotty. Moreover, many stories described projects that were in their infancy or in the process of being implemented (*e.g.*, Africa, 145; Africa 224; Dominica, 230; and Maldives, 240; to name a few). For these "early days" projects, it is unrealistic to expect reports of substantial results. That said, nearly all the stories could have included more information on specific and quantifiable measures of success. The fact that similar finding have been noted in other, more systematic evaluations reinforces this concern.[32]

Moreover, none of the studies, except Tunisia [130], report rigorous, state-of-the-art impact evaluation of trade interventions. Many of the interventions described in the case stories, from technical assistance, to export promotion, or to programmes targeted at women traders, can be evaluated rigorously, provided that impact evaluation is part of the programme's design from the outset,and that donors and beneficiaries are willing to commit the resources necessary to undertake the work.

The lack of quantitative benchmarks and evaluation techniques reflects the reality on the ground. As noted above, many aid-for-trade projects lack benchmarks and quantitative indicators of success. Particularly deficient were programmes at the global level that emphasised narrow technical assistance and training, and those aimed at improving policy (Table 5.4).

According to a rough count, nearly half of the stories contained quantitative indicators on outputs – *i.e.* a capacity building project might indicate the number of people trained, or a standards project might enumerate the products covered. Still, it is difficult to draw a causal link from these interventions to broader trade, income, poverty reduction, gender or environmental outcomes.[33] Far fewer case stories in the building capacity and improving policy thematic areas – roughly only 4% - claimed that their activities produced specific quantitative outcomes attributable to the activity.[34] Even so, the large literature on economic growth argues persuasively that the ever more productive use of factors drives future growth, so it stands to reason that the investments in human capital described in the stories might be among the most important contributors to future trade-led growth and poverty reduction,even though precise measurements, especially at the project-specific level and in the near-term, are impossible to generate. Stories from the multilateral development banks tended to have a higher share of quantitative information on outcomes that the other stories.

Tracing the link between investments in capacity building and results in terms of trade performance, poverty reduction and gender inequality is virtually impossible. The same is true for projects that purport to improve inter-ministerial or donor co-ordination. Even though capacity building may ultimately be important,[35] rarely is it possible for this type of aid for trade to trace productive outcomes to specific inputs. Similarly, global programmes may well lead to new insights that motivate policy makers and private actors, and these may lead to improved policies – which may in turn produce greater trade, rising incomes, improved gender equality and a better environment. IPRs may eventually provide dividends in terms of earnings to music and transitional knowledge and greater foreign direct investment – as Vietnam has reported [Vietnam, 96] – though the link between stronger IPRs and increased FDI has only been convincingly made to technology-intensive investments in middle-income countries.[36] These case stories, to their credit, generally refrain from making such sweeping claims. That said, developing a more quantitative and less impressionistic results framework – based on greater investments in gathering indicator data – is a necessary objective. ■

NOTES

1 Brackets refer to the country location of the activity and case story number as in the Index in Annex C; the annex also contains indices by story author and by story number. Activities that pertain to all developing countries, such as studies, are shown as "Global".

2 For a comprehensive and thoughtful discussion of impact evaluation, see Abhijit Banerjee and Esther Duflo (2011) A *Poor Economics: A Radical Rethinking of Ways to Fight Global Poverty* London: PublicAffairs.

3 In WTO (2006), the Aid for Trade Taskforce elaborated six areas, which map to the themes as follows: (1) trade policy and regulations, including training of trade officials, here captured under the theme "building capacity"; (2) trade development, including investment promotion, analysis and institutional support for trade in services, business support services and institutions, public-private sector networking, e-commerce, trade finance, trade promotion, market analysis and development – theme "leveraging the private sector"; (3) trade-related infrastructure; (4) building productive capacity, the themes "undertaking industrial policies" and "leveraging the private sector"; (5) trade-related adjustment including supporting developing countries to put in place accompanying measures that assist them to benefit from liberalized trade is part of the theme "Policies"; and (6) other trade-related needs is part of all categories.

4 See Strengthening Accountability in Aid for Trade (OECD 2011), for evaluating aid for trade, and Banerjee and Duflo, (2011), for a more comprehensive discussion of evaluating development projects and programmes.

5 With the support from the Belgian government, United Kingdom Department for International Development (DFID), German Technical Co-operation (GTZ), International Monetary Fund, Rwanda Revenue Authority and World Bank

6 Methodological problems abound in studying this relationship: Association by itself does not demonstrate causality, and the better studies employed lagged variables and other techniques to strengthen conclusions. Much of the empirical literature on the relationship of infrastructure to trade is based on the "gravity model". These apply cross-country regression equations to bilateral trade among all trading partners, and take into account the volume of trade controlling for the size of the respective economies and the distance between them. For example, two large countries will obviously have a greater bilateral trade, all the more so if they are close to each other. The gravity model provides a way of controlling for expected trade levels and then measures the impact of other variables on trade volumes. These often constitute the basis for simulations: "if a country in a bottom percentile were to improve to a top percentile then the level of associated trade would be greater by an amount given in the gravity model."

7 They take as an infrastructure indicator four components: the density of rail road per square km, the density of road and of paved road per square km and the number of telephone mainlines per capita. The indicator has been widely used by other researchers to proxy for the quality of infrastructure cost and thus, the cost of transport and communication (See Carrère, C., (2006). "Revisiting the effects of regional trade agreements on trade flows with proper specification of the gravity model", European Economic Review, Vol. 50/2: 223- 247.)

8 See Ronald Fischer 2011 "Public- Private Partnerships in Rwanda: Lessons from Chile" International Growth Centre, February (http://www.theigc.org/sites/default/files/presentation_slides/fischer_ppps.pdf)

9 The World Health Organization and the World Bank, working with other agencies, have mounted a major initiative on road safety. See *WHO and World Bank (2004) "World report on road traffic injury prevention"*

10 Winters, Alan L., (2004) "Trade Liberalization and Economic Performance". *The Economic Journa*l 114: F4-F21. Oxford: Blackwell Publishing,; Winters, Alan L., McCulloch, Neil and McKay, Andrew, 2004. "Trade Liberalization and Poverty: The Evidence so Far". *Journal of Economic Literature*, Vol. 42, No. 1.

11 See Porto, Guido and Bernard Hoekman (2010) (eds.) *Trade Adjustment Costs in Developing Countries: Impacts, Determinants, and Policy Responses* London: CEPR and World Bank

12 World Bank (2006a), *"Mauritius - From Preferences to Global Competitiveness: Report of the Aid for Trade Mission"* World Bank, April; World Bank (2006b) *"Mauritius - Country Economic Memorandum"*

13 In Uganda, Hallaert *et al.* (2010) showed the importance of identifying the most binding constraints by comparing the trade reforms of the 1990s with the reforms of the 2000s. They argue that in the 1990s, the reforms were mainly limited to MFN tariff reforms and did not result in trade expansion and economic growth because they did not address the most binding constraints. This contrasts with the broader reforms of the 2000s, which were successful in leading to a sharp increase in trade and a significant export diversification. The most binding constraints to trade mainly derived from transportation, not so much the transport costs but delays and unpredictability at border crossing.

14 http://www.wto.org/english/tratop_e/devel_e/build_tr_capa_e.htm

15 See Finger, M. and Schuler, P. (2004) *Poor People's Knowledge: Promoting Intellectual Property in Developing Countries* World Bank: Oxford University Press.; Maskus , K (2005). "The Role of IPRs in encouraging Foreign Direct Investment and Technology Transfer" in Carsten Fink and Keith Maskus (eds.) 2005, *Intellectual Property and Development Lessons from Recent Economic Research* World Bank: Oxford University Press; Javorcik , Beata (2005) "The Composition of Foreign Direct Investment and Protection of IPRs: Evidence from Transition Economies" in Carsten Fink and Keith Maskus (eds.) 2005, *Intellectual Property and Development Lessons from Recent Economic Research* World Bank: Oxford University Press.

16 To be efficient and enhance incomes, the industry has to be able to survive without the protection (the Mill test) and the discounted present value of the gains compensate for the losses to consumers from the temporary protection (the Bastable test). Harrison and Rodriguez-Clare (2009) note that rarely in practice are these tests actually performed. The absence of these tests explains why "infant industries" benefitted from decades of protection until the 1990s.

17 See Rodrik, Dani 2004 "Industrial Policy for the 21st Century" CEPR Discussion Paper 4767 London. and Rodrik, Dani 2008 "Normalizing Industrial Policy" Commission on Growth and Development Working Paper 3. Washington. for the economic arguments; Robert Wade (2003) for the political economy arguments. Nolan and Pack (2003) and Pack and Saggi (2006) for critical reviews of the empirical underpinnings of Rodrik's interpretation of East Asia; Harrison and Rodriguez-Clare (2009) for a detailed review of the economics and empirical literature; and Lederman and Maloney (2010) for a more trade-focused review, and by implication Easterly and Reshef (2010) for Africa.

18 Rodrik, 2004 presents an annex of WTO-illegal industrial policies that he contends could in some situations be usefully employed.

19 See Richard Newfarmer, William Shaw and Peter Walkenhorst (eds.) 2009, *Breaking into New Markets: Emerging Lessons for Export Diversification* Washington: World Bank.

20 These programmes are not the subject of a case story, but are described in World Bank, (2009). *Unlocking Global Opportunities: the Aid for Trade Programme of the World Bank*, Washington: World Bank.

21 Using data collected in an ex post survey, Gourdon, Marchat, Sharma and Vishwanat (2011) find that the programme significantly raised the treated firms' export performance, in particular in the case of service firms. However, in the case of manufacturing firms, Cadot, Fernandes, Gourdon and Mattoo (2011) find evidence over-diversification of beneficiary firms and lack of persistence of the effects.

22 Many of these lessons can be found in OECD (2008a) "Trade-related Assistance: What do Recent Evaluations Tell Us?" Paris: OECD; OECD (2008b): "Effective Aid Management: Twelve Lessons from DAC Peer Review", Paris, OECD; USAID (2010), *From Aid to Trade: Delivering Results – A Cross-Country Evaluation of USAID Trade Capacity Building*.

23 Islamic Development Bank, the World Bank, the European Bank for Reconstruction and Development, OPEC Fund, Kuwait Fund for Arab Economic Development, the Saudi Fund for Economic Development

24 USAID (2010) From Aid to Trade: Delivering Results: A Cross Country Evaluation of USAID Trade Capacity Building" Washington: USAID November. The study also presents in an annex a commissioned study by David Bearce, Steven Finkel, and Anibal Perez-Linan "The Effects of US Trade Capacity Building Assistance on Trade-Related Outcomes, 1999-2008" September 2010; a USD 1 investment of total US government assistance to trade on average would increase exports USD 53. Other donors have undertaken similar evaluations; see, for example, OECD 2008; Sida, 2009; Brusset *et al.* (2006) for the Netherlands, Cox and Hemon (2009) for DFID, World Bank (2005).

25 See Fengler, Wolfgang and Kharas, Homi (2010) eds. Delivering Aid Differently – Lessons from the Field Washington, DC: Brookings

26 Source: OECD-DAC Aid Activities Database (CRS)

27 See Portugal-Perez, Alberto and Wilson, John, 2008. "Lowering Trade Costs for Development in Africa: A Summary Overview." Development Research Group, The World Bank.

28 See, *e.g.*, O. Cattaneo, M. Engman, S. Saez, and R. Stern (eds.), 2010. *International Trade in Services* Washington DC: World Bank.

29 For lengthier developments of this argument see Hoekman and Mattoo (2007) and Hoekman and Njinkeu (2010).

30 Claire Delpeuch, Marie-Agnes Jouanjean, Alexandre Le Vernoy, Patrick Messerlin, and Thomas Oliac (2011) "Aid for Trade: A Meta-evaluation" Paper presented to the OECD Experts Meeting on Aid for Trade March 29, 2011 draft

31 In part, this may reflect selection bias owing to the efforts of the ITC in gender. The ITC held a conference on women in trade in 2010 based on a score of participants' case stories it had solicited from around the world.

32 See OECD, 2008 "Trade-related Assistance: What do Recent Evaluations Tell Us?" Paris: OECD. They write: Donors and partner countries should focus on achieving results. They should adopt a collaborative, results-based management approach, where clear, realistic and measurable programme objectives are defined and translated into expected outcomes and required activities, with timetables for implementation (including information on the sequencing of outputs) and costing.

33 Several donor evaluations have pointed this out. See for example, Sida, 2009:12. OECD, 2008. Hallaert , Jean-Jacques, 2010. "Increasing the Impact of Trade Expansion on Growth: Lessons from Trade Reforms for the Design of Aid for Trade," OECD Trade Policy Working Papers 100, OECD Publishing

34 A story was considered reporting an outcome if it provided any numeric value one of 10 "performance" indicators: export increases, trade structure and regional integration; import efficiency; investment increases; poverty reduction; incomes increases; gender measures; employment; health and environment.

35 For the importance of international co-ordination, see, Raymond Saner, 2010 *Trade Policy Governance Through Interministerial Coordination: A Sourcebook for Trade Officials and Development Experts* Dordrecht: Republic of Letters

36 See M. Finger and P. Schuler (2004) *Poor People's Knowledge: Promoting Intellectual Property in Developing Countries* World Bank: Oxford University Press; Keith E, Maskus "The Role of IPRs in encouraging Foreign Direct Investment and Technology Transfer" and Beata Javorcik "The Composition of Foreign Direct Investment and Protection of IPRs: Evidence from Transition Economies" in Carsten Fink and Keith Maskus (eds.) 2005, *Intellectual Property and Development Lessons from Recent Economic Research* World Bank: Oxford University Press.

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ANNEX 5.A
METHODOLOGY FOR CLASSIFYING CASE STUDIES

In response to the all for case stories, respondents sent in stories to the OECD and WTO. These were entered in a data base and given a number. Then the analysis team read the study and then identified the country, sub-region or region, in which the activity took place. General studies covering all aid for trade activities with no particular country or region were labelled global. The country and number in brackets in the text refers to the country of the project and its number in our data base. All submissions were then allocated each into one of six general themes:

1. Lowering trade costs through trade facilitation programmes
2. Investing in infrastructure to lower the cost of inputs
3. Reforming policy to revamp incentives, remedy co-ordination failures, or enhance strategy
4. Building capacities within governments to better conduct trade policy
5. Undertaking industry-specific pro-active policies to promote trade
6. Leveraging the private sector to development exports, promote SMEs, and women's activities

This in some cases required judgments because the content of some could have arguably been placed in more than one theme. Authorship was established according to the institutional affiliation of the author.

Stories were then tagged with indicators of having reported outputs and outcomes. A story was considered reporting an output if it mentioned quantitative indicators associated with the project, for example, number of people trained, number of ministries co-ordination or number of meetings held. Projects that reported work on changing a law were also denoted as having registered an output. A story was considered reporting an outcome if it provided any quantitative value associated with any one of 10 "performance" areas: export increases, trade structure and regional integration; import efficiency; investment increases; poverty reduction; incomes increases; gender measures; employment; health and environment.

Even though the cut-off deadline was officially January 31, 2011, in fact the team considered all case stories received before March 15, 2011.

Theme breakdown

1. Lowering trade costs through *trade facilitation* programmes
   a. Trade facilitation strategies
   b. Customs reform and border crossing
   c. Regional projects and corridors
   d. Global and regional programmes (*e.g.* studies & guides)
2. Investing in *infrastructure* to lower the cost of inputs and services (including in sub-regions)
   a. Roads
   b. Ports
   c. Power
   d. Other
   e. Global and regional programmes (*e.g.* studies & guides)

3. *Reforming policy* to revamp incentives, support adjustment, enhance strategy, and adopt international standards
   a. Adjustment programmes (tariff and NTBs reform)
   b. National development strategies
   c. Standards projects
4. *Building capacities* within governments to better conduct trade policy, negotiate trade agreements, and implement trade-related rules and laws
   a. EIF
   b. Creating knowledge capacities
   c. TA to ministerial co-ordination and mainstreaming
   d. Creating negotiating capacity
   e. Improving capacity to implement laws *e.g.*, Intellectual Property Rights
   f. Global and regional programmes (*e.g.* studies & guides)
5. Undertaking *pro-active industry-specific policies* to up-grade quality or promote trade diversification
   a. Projects dealing with specific activities in industry or agriculture
6. Leveraging the *private sector* through trade finance, export promotion, and skill-up-grading for SMEs and women traders
   a. Trade finance
   b. SMEs
   c. Women entrepreneurs

ANNEX 5.B
DISCERNING EMPHASIS: METHODOLOGY FOR CONCEPT COUNTS

The word searches were made by counting the number of mentions of keywords that are divided into clusters. The keyword mentions within a cluster are then added. Because there are case stories written in English, Spanish and French, we have included the words in all three languages. We further divide the cluster into two components: Trade Policy and Trade Performance Outcomes.

The words and their classification are the following:

TRADE VARIABLES		TRADE-RELATED OUTCOME					
Import	**Export**	**Poverty**	**Income**	**Employment**	**Gender**	**Environment**	**Health**
Import	Export	Poverty	Income	Employment	Women	Environment	Health
Imports	Exportacion	Pobreza	Salario	Jobs	Mujeres	Ambiente	Salud
Importaciones	Exportaciones	Pauvrete	Salaire	Empleo	Femmes	Environnement	Sante
Importations	Exportation		Ingreso	Empleos	Girls	Clean	Disease
Tariff	Exports		Ingresos	Emploi	Filles	Limpio	Enfermedad
Arancel	Diversification		Revenu	Emplois	Ninas	Pollution	Maladie
Arancelario	Diversificacion		Revenus	Sme	Gender	Contaminacion	
Aranceles				Pyme	Female	Organic	
Quota				Msme		Organico	
Tbt						Organicos	
Ntb						Organique	
						Organiques	

NUMBER OF MENTIONS IN THE OECD CASE STORY DATABASE (269 STORIES)									
	Trade Variables		Trade-related Outcome						
Author	Import	Export	Poverty	Income	Employment	Gender	Environment	Health	Total
Recipient Government[a]	136	629	138	66	76	245	108	96	1 494
Donor Government	109	459	81	141	112	241	174	42	1 359
UN[b]	107	567	122	69	166	644[d]	287	76	2 038
MDB	81	189	13	13	43	36	40	6	421
Private[c]	31	146	34	18	17	271	28	5	550
Total	**464**	**1 990**	**388**	**307**	**414**	**1 437**	**637**	**225**	**5 862**

Notes:
a Includes stories from regional economic communities and organisations
b Includes other international organizations
c Includes NGOs and un-affiliated authors
d Includes 15 case stories from the ITC that deal exclusively with gender and Aid for Trade

ANNEX 5.C
INDEX OF CASE STORIES BY CASE STORY REFERENCE NUMBER

No	Author	Country/Region	Title
1	AfDB	West Africa	NEPA-CEB Interconnection Project
2	ECDPM/CTA (Center for Agricultural and Rural Co-operation)	Caribbean	Trade and production adjustments in ACP countries - lessons from the EC supported Caribbean Rum Programme
3	Mexico	Central America	Mesoamerican integration and development project/International Network of Mesoamerican Highways
4	Malawi	Malawi	National Development and Trade Policy Forum Project
5	Montserrat	Montserrat	EC Funded Project on ASYCUDA
6	Mongolia	Mongolia	How to facilitate trade facilitation by implementing MNSW
7	Nigeria	Nigeria	Strategic Trade facilitation action plan for Nigeria
8	ADB	Asia and Pacific	ADB TFP
9	ADB	Asia and Pacific	ADB's GMS East West Corridor
10	ADB	Kyrgyz Republic and Kazakhstan	Almaty-Bishkek Regional Rehabilitation Programme
11	ADB	Asia and Pacific	TA to Build Trade Policy Capacity
12	Azerbaijan	Azerbaijan	AFT case story
13	Benin	Benin	*Projet multinational de diffusion du riz nerica*
14	Benin	Benin	*Projet d'Appui au développement des filières halieutiques s ur le lac Ahème*
15	Botswana	Southern Africa	Customs modernization and Trade Facilitation towards the SADC Customs Union Project
16	Brazil	South America	Exporta Facil
17	Kenya	Kenya	Call for Aid for Trade Case
18	Burundi	Burundi	*Projet sur les huiles essentielles*
19	Cameroon	Cameroon	*Stratégies sectorielles sur la banane plantain et le manioc*
20	Caribbean Export Development Agency	Caribbean	Caribbean Export Development Agency
21	Central African Republic	Central African Republic	*Renforcement des capacités de production: cas sésame*
22	Commonwealth	Global	The EDF Funded Commonwealth Secretariat Trade Policy Formulation, Negotiation, and Implementation (Hub and Spokes) Project
23	Caribbean Rum Sector Programme	Caribbean	Caribbean Rum Sector Programme
24	CARICOM	Caribbean	The Establishment of CAHFSA and a regional SPS
25	CARICOM	Caribbean	The Caribbean AFT and Regional Integration Trust Fund: A mechanism for delivering AFT support to CARICOM and CARIFORUM states
26	Congo (Rep.)	Congo (Rep.)	*Projet de renforcement des capacités commerciales et entrepreneuriales*

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28	Comoros	Comoros	*Programme de Renforcement des services du commerce et de l'investissement et soutien a un environnement incitatif pour le secteur privé*
29	ADB	Fiji	Fiji Ports Development project
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31	ECDPM	Caribbean	Lessons from the Sugar Protocol Adjustment measures programme in the Caribbean
32	Universidad de Chile	Chile	Pymexporta
33	UEMOA	Africa	Projet de renforcement de capacités en matière de commerce "Hub and Spokes"
34	Commonwealth	Global	Assessing the effectiveness of AFT
35	Czech Republic	Moldova	Concrete Instruments Supporting SME Sector in Rep. of Moldova
36	Congo (Dem. Rep. of)	Congo (Dem. Rep. of)	*Présentation d'un Cas d 'Expérience*
37	SECO	West Africa	The Empowerment of Western and Central African Cotton Procedures: A sectoral approach on Cotton
38	EBRD	Eastern Europe	EBRD Business Advisory Services Programme
39	EBRD	Eastern Europe	EBRD Trade Facilitation Programme: Results from the survey of participating banks
40	ECOWAS	West Africa	*L'élaboration du programme de l'APE pour le Développement*
41	ECOWAS	West Africa	Exports Promotion & Enterprise Competitiveness for Trade (ExPECT) Initiative
42	ECOWAS	West Africa	Gap Analysis of the ECOWAS Trade Liberalization Scheme
43	Ecuador	Ecuador	*Construcción de la Politica Nacional de Logística (PNL) como Instrumento para la Facilitación del comercio exterior*
44	Ecuador	Ecuador	Transporte Terrestre de carga en pasos de frontera (TTPF)
45	Gambia	Gambia	The Implementation of the West African quality programme in the Gambia
46	Lisa Fancott, for ITC	Africa	ACCESS! Export training for women entrepreneurs in Africa
47	UNECA	Africa	ATPC as AFT in Action on Gender Issues
48	Marylin Carr	Africa	AFT: Building capacities for linking women with export markets
49	TradeMark	Africa	Negotiating the COMESA-EAC-SADC- Tripartite FTA
50	Commonwealth Secretariat	Commonwealth	Capacity Building in gender and Trade
51	CGIAR	Global	CGIAR Gender and Diversity Programme Reaps Benefits for CGIAR globally
52	Plan International	Global	Empowering more women in trade paradigms
53	UN	India	Strategies and Preparedness for Trade and Globalization In India

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55	SADC	Southern Africa	Gender mainstreaming: the experience of SADC and lessons learned
56	UNCTAD	India	Gender sensitization of trade policy
57	Rwanda	Rwanda	Gender Dimension in AFT
58	Benita Sharma	India	SEZ's and its Impact on Women Workers in the Garment Manufacturing Industry in Andhra Pradesh
59	Norway	Mozambique	A New Chapter in the Development of Mozambique's Oil and Gas sector
60	Business Advisory Services Enterprise Uganda	Uganda	Integrating Gender into the National Export strategies: A case for Uganda
61	UNEP	East Africa	East African Organic Products Standard
62	DMT Consultants	Uganda	Talking to the Target makes all the difference
63	UNIFEM	Africa	Women Informal Traders Transcending African Borders
64	Grameen Bank	Bangladesh	Women's Economic Empowerment… Bangladesh
65	Ghana	Ghana	Case study on Ghana's national medium term private sector development strategy
66	Germany	East Africa	Establishing a Regional Quality Infrastructure in the East African Community
67	Grenada	Grenada	Improving the Quality of Fishery Products for Exports
68	Chinese Taipei Technical Mission	Honduras	Oriental Vegetable Project in Honduras
69	IDLO	Africa	WTO Aid for Trade Case Story
70	Indonesia	Indonesia	Artificial Inseminatino of dairy cattle
71	Indonesia	Indonesia	Indonesia Enterprise and Agricultural Development Activity (SENADA)
72	Indonesia	Indonesia	ER-RI trade Support programme
73	ITC	Global	Market Analysis Tools and Capacity Building for LDCs
74	Islamic Development Bank	Azerbaijan	Silk Road Project Azerbaijan
75	ITC	Ethiopia	Ethiopia Coffee Quality Improvement Project
76	ITC	Africa	Ethic Fashion: not charity, just work
77	ITC	Uganda	AFT and export performance: a business perspective
78	JICA	Cambodia	The development study on the institutional strengthening of investment promotion
79	Korea	Cambodia	The Project for Capacity Building in the Trade in Goods and Services for Cambodia
80	Global Mechanism	Mali	*Vers un agenda commun de l'Agriculture et de l'Aide pour le commerce pour la Gestion Durable des Terres (GDT) : L'expérience du Mali*
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83	Niger	Niger	*Projet d'assistance technique destine a promouvoir le commerce de services*
84	OAS	Caribbean	Professional Masters in International Trade Policy
85	ODI	Global	AFT and Blended Finance
86	New Zealand	Pacific	Recognized Seasonal Worker Programme
87	Senegal	Senegal	Renforcement des capacités nationales a s'adapter aux marches
88	B & J Partners	Sierra Leon	Programme: Support to cash crop (cocoa and coffee) production
89	China	China	Small famers in Global Markets
90	Solomon Islands	Solomon Islands	Solomon Islands Cocoa Livelihood Rehabilitation Project
91	Sweden	Sri Lanka	Quality Infrastructure in Sri Lanka
92	Kenya	East Africa	Establishing a Centre of Phytosanitary Excellence (COPE)
93	UN	Sudan	The Sudan EPA Negotiations and Implementation Support (SENIS) Project
94	Suriname	Suriname	Improving the trade facilitation environment in Suriname
95	Sweden	Africa	Trade Policy Training Centre in Africa (Trapca)
96	SECO (Switzerland)	Viet Nam	Promoting the Use of IP in Viet Nam as a tool to Foster Trade
97	UNECA	Ethiopia	The African Trade Policy Centre (ATPC) as an Aid for Trade (AfT) Case Story
98	ISF	Nicaragua	*Tierra Nueva*
99	Tonga	Tonga (Kingdom of)	Tonga: A tale of TA
100	Global Mechanism	Uganda	Towards a common Agenda on AFT and Agriculture for SLM: the experience of Uganda
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102	UNCTAD	East Africa	International Partnership for Sustainable Development: Promoting production and trade of organic agricultural products in East Africa
103	UNCTAD	Uganda	The BioTrade Initiative Programme
104	UN	Africa	Econometric Evidence of the Effectiveness of Aid for Trade in Addressing Trade Binding Constraints in Africa
105	UNIDO	Morocco	The UNIDO Export Consortia Programme: The Case of Morocco
106	Germany	Zambia / COMESA	The EU's Joint Aid for Trade Strategy - Opportunities and Challenges for co-ordination. The case of Zambia and COMESA
107	Zimbabwe	Zimbabwe	Chirundu One Stop Border Post: a regional trade facilitation programme
108	*Secretaria de Economia* (MX)	Central America	*El Proceso de Convergencia de los TLCs entre Mexico y Centroamerica para Establecer un Acuerdo Unico*
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117	IADB	Latin America and Caribbean	Trade Finance Reactivation Programme
118	CIDA	Guatemala	Entrepreneurial development of cooperative federations
119	CIDA	Southern Africa	Programme for building African capacity for trade
120	IADB	Latin America and Caribbean	The Mesoamerica Project
121	IADB	Guatemala	FINPYME ExportPlus
122	IADB	Latin America and Caribbean	International Transit of Goods (TIM)
123	Chile	Chile	Coaching Exportador
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131	World Bank	Mauritius	WB
132	Angola	Angola	Case Story
133	Chinese Taipei	Guatemala	Peten Papaya Export Project in the Republic of Guatemala
134	WIPO	Namibia	A Tree and traditional Knowledge: a Recipe for Development
135	Norway	Tanzania	The Tanga-Pemba submarine cable
136	Peru	Peru	*Alianza Público-Privada y Biodiversidad: La Cadena de la Maca en Perú*
137	Peru	Peru	*Impacto de la incorporación del comercio en la estrategia de desarrollo del Perú*
138	Peru	Peru	*Desarrollo de Asociaciones de Exportación de Artesanos Textiles del Cusco: equidad de género, emprendimiento e inclusión en el desarrollo comercial.*
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142	TradeMark/DFID	Africa	Establishing a Regional Non-Tariff Barrier Reporting and Monitoring Mechanism
143	Jamaica	Jamaica	Jamaica's National Export Strategy
144	TradeMark/DFID	Southern Africa	Revamping the Regional Railway Systems in Eastern and Southern Africa
145	TradeMark/DFID	Africa	The COMESA-EAC-SADC Tripartite and Transport Facilitation Programme
146	PWC	Global	Creating an Engine for Growth and Development - Export Credit Agency
147	ODI	West Africa	AFT and trade related adjustment - economic partnership agreements
148	Trademark SA	South Africa	Establishing an Managing a Regional Aid for Trade Programme
149	Trade Mark SA (DFID)	South Africa	North-South Corridor Roads
150	Lesotho	Lesotho	Lesotho: Aid For Trade Needs
151	AUSAID	Asia and Pacific	Case Story: Australian Fumigation Accreditation Scheme
152	AUSAID	Indonesia	Case Story: The Cocoa Supply Chain in Indonesia
153	ICTSD	Caribbean	Caribbean Aid for Trade and Regional Integration Trust Fund (CARTFund)
154	Finland	Zambia	Aid for Trade Case Story on The Integrated Framework (IF)/Enhanced Integrated Framework (EIF) Process In Zambia
155	Lao PDR	Lao PDR	(Trade Development Facility)
156	Costa Rica	Costa Rica	FDI Attraction and Participation in Global Value Chains
157	Costa Rica	Costa Rica	Trade Opening as a Key Element of the Development Agenda
158	UNDP	Pakistan	Community Empowerment through Livestock Development and Credit Project (CELDAC)
159	ECDPM	Egypt	Traceability of agro-industrial products for the European market
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162	STDF	Global	Promoting Agri-Food Exports that Meet International Sanitary and Phytosanitary (SPS) Requirements: The Role of Multi-Stakeholder Partnerships
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168	OAS	Latin America and Caribbean	Trade Capacity Building Programme for the Implementation and Administration of Trade Agreements

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170	OAS	Caribbean	Caribbean Intellectual Property (IP) Value Capture Export Strategy
171	Zambia/Finland	Zambia	The Chirundu one stop border post
172	WIPO	Lao PDR	International Success of Laotian Beer
173	WIPO	Jordan	Evolving toward IP-fuelled Innovation
174	Norway	Tanzania	Support to the development of the Southern Agricultural Growth Corridor of Tanzania Investment Blueprint
175	US	Africa	USAID regional trade facilitation implemented by the African trade hubs
176	AUSAID	Pacific Islands	The Australia pacific technical college (aptc)
177	Belize	Belize	Completing Belize's Aid-for-Trade Strategy
178	Spain	Honduras	Development of fishing capacities in the Gulf of Fonseca; coalition of municipalities of the south of Honduras, -nasmar-.
179	Spain	Morocco	Support for technical industrial centers; sidi maarouf, morocco.
180	CUTS	Zambia	Zambia's Aid for Trade: A case of the EIF
181	Jamaica Business Development Corporation	Jamaica	Productive Integration of Micro-Enterprises in Jamaica: Increasing the Competitiveness of Micro – Enterprises in the Craft and Agro-processing Sub-sectors
182	Jamaica	Jamaica	Commonwealth Hubs and Spokes Project: Building the Capacity of ACP Countries in Trade Policy Formulation, Negotiations and Implementation
183	Switzerland	Colombia	Economic success through resource efficient and cleaner production (RECP)
184	Switzerland	Mozambique	Strengthening the Competitiveness of Export Oriented Agro Value Chains Cashew Nut Value Chain in Mozambique
185	Germany	Indonesia	Value Chain Promotion in the Rattan Furniture Sub-Sector in Indonesia
186	Germany	Kyrgyzstan	Three-Party South-South Co-operation: Using Senegalese Knowledge and Experience to Improve Trade Administration Systems in Central Asia
187	Germany	Cote d'Ivoire	Introducing Rainforest Alliance Certification to Cocoa Production in Côte d'Ivoire
188	Trinidad and Tobago	Guadeloupe	Case Story Aid for Trade Global Review 2011: Trinidad and Tobago Services Trade Mission to Guadeloupe and Martinique
189	WCO	Macedonia (FYR)	
190	Ethiopia	Ethiopia	(AFT in Ethiopia)
191	Spain	Global	Capacity building and human capital training course for the administrative units in charge of trade facilitation in countries targeted by enhanced integrated framework programmes
192	Islamic Development Bank	Central Asia	ITFC trade facilitation programme: lessons learned from the aid for-trade (aft) road map for the united nations special programme for the economies of central Asia (speca)
193	ITC	Global	modular learning system – supply chain management
194	EU	Rwanda	Support to the Agriculture Sector in Rwanda (2003-2010)

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196	Fiji	Fiji	Case Story on Fiji's Competent Authority
197	Argentina	Bolivia	*Sistema de Control Sanitario en Centros de Faenamiento, Transporte Comercialización de Productos Cárnicos*
198	Argentina	Peru	*Asistencia técnica y capacitación a empresas del sector lechero de la Región Arequipa/Puno*
199	Argentina	Nicaragua	*Formación de Formadores en Artes y Útiles de Pesca Artesanales*
200	Antigua	Antigua	The Caribbean Rum Programme: The Case of Antigua Distillers Ltd.
201	US	Global	The Importance of Monitoring and Evaluation to Trade Capacity Building Programme Effectiveness
202	BFTI	Bangladesh	Successes and Failures of the TBSP
203	Spain	Latin America and Caribbean	Distance learning course and on-site workshop on negotiations of international investment agreements for Latin American and Caribbean countries.
204	SACAU	Southern Africa	A Case Study on SACAU's support to Southern African Delegates in International Plant Protection Convention (IPPC) Attendance
205	WTO	Global	The WTO Trade Policy Review Mechanism: Aid for Trade
206	Kazakhstan	Kazakhstan	Presentation of the representative of the Ministry of Economic development and trade of the Republic of Kazakhstan on implementation of the Aid for Trade initiative: "Road map for the SPECA countries"
207	EU	Caribbean	Caribbean Trade and Private Sector Development Programme (CTPSD) – Phase II Caribbean Export Component
208	Bangladesh	Bangladesh	Quality Support Export Diversification Programme
209	EU	Cameroon	*Appui à la filière café du Cameroun*
210	ITC	Africa	African cotton development initiative
211	DFID	Burundi	Changing Incentives – Revenue Growth in Burundi
212	Switzerland	Tanzania	The Impacts of Certification for Sustainable Production on Coffee Producers in Tanzania: An application of the Committee on Sustainability Assessment (COSA) Harmonized Methodology for Impact Analysis in the Coffee Sector
213	IADB	Latin America and Caribbean	*El desafío y la importancia de las reglas de origen en la agenda de política comercial*
214	Denmark	Uganda	African Organic
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216	Bangladesh	Bangladesh	Support to Bangladesh RMG Sector in post MFA
217	Belgian Investment Company for Developing Countries	Vietnam	Expansion Project of a private company
218	Belgium	Global	Trade for Development Centre – Producer Support Programme
219	Botswana	Botswana	Trade and poverty programme

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221	Burkina Faso	Burkina Faso	*Fonds de soutien à coûts partages pour le développement de l'entreprise*
222	WTO	Cape Verde	Cape Verde Case Story
223	USAID	Central America	CAFTA-DR Sanitary and Phytosanitary Trade Capacity Building Programme
224	CEN-SAD	Africa	*Expérience CENS-SAD en matière d'aide au commerce*
225	Chad	Thad	*Filiere cuir*
226	Colombia	Colombia	*Certificado Origen Digital*
227	Colombia	Colombia	*Proyecto Asistencia Tecnica Comercio*
228	Croatia	Croatia	Rijeka Zagreb Motorway
229	Vasudave Daggupaty	East Africa	Assessing Transport Trade Facilitation
230	Dominica	Dominica	Topic: Asycuda World Implementation
231	INDOTEL	Dominican Republic	(INDOTEL)
232	US	Vietnam	Supporting Vietnam's Legal and Governance Transformation
233	El Salvador	El Salvador	(FOMILENIO)
234	ESCWA	Asia	Strengthening capacities in the Economic and Social Commission for Western Asia region to negotiate bilateral investment treaties
235	ESCWA	Asia	Networking of Expertise on Foreign Direct Investment for ESCWA Member Countries
236	UN	Global	Improving Global Road Safety Setting Regional and National Road Traffic Casualty Reduction Targets
237	ESCWA	Asia	Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development in the Countries of the ESCWA Region
238	ESCWA	Asia	EDGD Transport
239	WCO	Uganda	The use of the WCO Time Release Study to measure border performance in a landlocked developing country (Uganda)
240	Maldives	Maldives	(IF web-based information system)
241	ECSWA	Asia	EDGD trade and transport
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243	Fiji	Fiji	Sugar Industry
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245	Guyana	Guyana	National Competitiveness Strategy (NCS): Trade Transactions Action Plan
246	Haiti	Haiti	*Projet d'automatisation du système douanier* (SYDONIA WORLD)
247	Honduras	Honduras	Supporting competitiveness reform in Honduras
248	Tanzania	Tanzania	The impact of business sector programme support (BSPS iii) on Tanzania business sector performance

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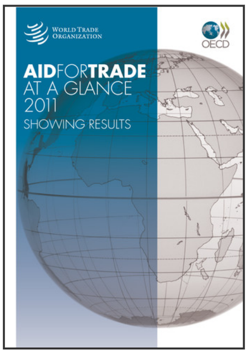
250	STDF	Global	Measuring the Performance of National Sanitary and Phytosanitary Systems
251	IICA	Latin America	Initiative for the Americas
252	IICA	Latin America	Sustainable institutional capacity building in the countries of the Americas to consolidate active participation in the sps committee and move forward with implementation of the wto/sps agreement
253	IICA	Latin America	Strengthening the national agricultural health and food safety services via the application of IICA´s Performance, Vision and Strategy (PVS) tool
254	Madagascar	Madagascar	*Programme d'appui aux exportations*
255	Madagascar	Madagascar	*Programme de renforcement des capacités dans les négociations internationales (PRC)*
256	Netherlands	Global	Sustainable trade initiative
257	New Zealand	Samoa	Women in Business Development Incorporated
258	OECS	Caribbean	The Hub Spokes Project: Lessons in Best Practices for Donor Support for Trade Capacity Building
259	OECS	Caribbean	Institutional Capacity Building for Trade Policy – Lessons in Sustainability
260	ADB	Mongolia	Mongolia Customs Modernization Project
261	Singapore	Asia and Pacific	Regional Training Institute
262	Singapore	Asia and Pacific	Regional Trade Policy Course
263	Singapore	Global	Singapore Co-operation Programme
264	St. Vincent and the Grenadines	St. Vincent and the Grenadines	St. Vincent and the Grenadines' Tourism Development Project
265	ACTT-CN	Africa	*Appui Institutionnel à l'Autorité de Coordination du Transport de Transit du Corridor Nord (ACTT-CN) par la Banque Africaine de Développement (BAD)*
266	UEMOA	Africa	*Projet de stratégie régionale de mise en œuvre du programme d'aide pour le commerce de l'UEMOA*
267	Trademark/DFID	Africa	Improving Service Delivery and Reducing Clearing Times at Beitbridge Border Post
268	STDF	Global	Using Economic Analysis to Inform Sanitary and Phytosanitary Decision-Making
269	Nepal	Nepal	Aid-for-Trade and mainstreaming

CONCLUSIONS: WHERE NEXT IN MONITORING AND EVALUATION?

INTRODUCTION

The third aid-for-trade monitoring exercise has generated a vast amount of unique information from a wide range of sources about what works in aid for trade, what does not work and where improvements are needed. The bulk of this information has been generated through 269 case stories and 140 self-assessments submitted by partner countries, bilateral and multilateral donor agencies, providers of South-South cooperation and regional economic communities. Together with the aid-for-trade data extracted from the OECD/DAC CRS aid activities database and findings from evaluations and econometric studies, these assessments provide a mostly positive picture of the results of the Aid-for-Trade Initiative. In particular, the analysis shows that:

- Aid for trade remains a priority for many partner countries and donors who are connecting their trade-related strategies to the broader development agenda. In general, partner countries focus more on short-term objectives, such as export expansion and diversification, while donors expect aid for trade to foster economic growth and contribute to poverty reduction. Changes in objectives and priorities are mainly driven by national factors.
- Despite the impact of the economic crisis, aid-for-trade flows continued to grow in 2009 reaching approximately USD 40 billion; an increase of 60% in real terms since the 2002-2005 baseline period. Growth rates are likely to diminish, but the outlook remains stable. Increasingly, aid is tackling binding trade-related constraints in economic infrastructure and private-sector development in low-income countries, while the richer developing countries receive low concessional financing for programmes and projects in these areas.
- The delivery of aid for trade is guided by the principles of the Paris Declaration on Aid Effectiveness and the trends are positive, with partner countries demonstrating a greater sense of ownership and donors harmonising their procedures and aligning their support. However, both note that more remains to be done.
- The case stories clearly demonstrate that aid for trade is becoming central to development strategies and that substantial initiatives are taking root across a wide spectrum of developing countries. Furthermore, these programmes and projects result in improved trade capacity which is bettering the lives of many men and women in developing countries.
- The essential conditions for successful aid-for-trade programmes are: ownership at the highest political level built upon the active engagement of all stakeholders; adequate and reliable funding; leveraging partnerships (including with providers of South–South cooperation); and combining public and private investment with technical assistance. Furthermore, complementary policies - especially stable fiscal and monetary policies - and flexible labour market policies, together with good governance, can greatly enhance the chances of success.



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