

World Bank Group Trade Strategy

Informal Informational Meeting

London

March 5, 2010

What is a Sector Strategy Paper?

- What distinguishes a “sector strategy paper” from other Bank statements of priorities?
 - internal and external consultation process
 - Board buy-in
 - monitoring and accountability
- There are currently 18 sector strategy papers
 - e.g., energy, transport, education, private sector development, gender, social development

Why a Trade Strategy?

- What will be different as a result of having a trade strategy?
 - Consensus on priority issues and activities
 - Better internal and external coordination
 - Agreed results framework for monitoring and evaluation
- The objective is to increase the effectiveness of Bank Group trade programs

Emerging Pillars of the Strategy

- The current Bank Group trade program:
 - Trade competitiveness and promotion
 - Incentive framework, export promotion, reducing the cost of inputs (e.g., electricity), improving value chains
 - Trade finance
 - International Finance Corporation facilities, export credit agencies, trade insurance
 - Trade facilitation
 - Border management, trade logistics, transit corridors
 - Trade cooperation
 - Doha, regional integration, analysis-based pro-development advocacy

General Principles

- All pillars of the strategy will articulate the trade strategy's contributions to growth, poverty reduction, gender equality
- Each pillar will be informed by research and will identify best-practices in capacity building activities, technical assistance and lending (both infrastructure and policy-based)
- The strategy paper will identify links with other strategy papers
 - e.g., division of labor within the Bank on trade and climate change, on trade and agriculture, etc.
- Budget-neutrality

Apparent Gaps

- There are few instruments or incentives for the Bank Group to address regional externalities
- Complementary “software” (pro-competitive regulation etc.) that determines the rate of return of infrastructure investments
- Data for monitoring and policy analysis are underprovided
- Synergies between private sector and public sector work are not exploited
- Trade dimensions of sector work are not sufficiently addressed (e.g., agriculture, finance)
- Missing opportunities to address cross-cutting priority issues—e.g., gender, links to climate change adaptation/mitigation
- Capacity-building – of firms, regional economic communities, associations, etc.
- Some trade issues are not receiving adequate attention:
 - e.g., government procurement, intellectual property, distribution services, subsidies

Internal Coordination

- Trade is not a “sector”
 - Trade activities are managed by many different units
 - Private Sector Development, Agriculture, Trade, Transport, International Finance Corporation, etc.
 - The conventional mechanisms (e.g., sector board) to ensure effectiveness do not exist for trade
- The strategy will propose new coordination arrangements
 - WBG-wide coordination council
 - Global Expert Teams, Global Practice Groups in key areas (e.g., customs)

External Partnerships

- The strategy paper will guide participation in partnerships
 - at global and country level
 - with private sector and governments
 - Leverage the WBG's areas of comparative advantage and complement areas where WBG has limited capacity/expertise
 - Spin-off products/programs that are a better fit or better done by other entities
- The strategy will enhance coherence and effectiveness of trade trust funds

Results Framework

- The strategy will present a results framework to improve monitoring and evaluation
- Operational monitoring
 - Improved tracking of inputs, outputs, outcomes
 - Introduction of core sector indicators for trade projects
- Impact evaluations
 - e.g., rigorous evaluations of projects' impacts
- Global indicators
 - Benchmarking indicators to assess success of policy reforms and aid for trade

Process and Timeline

- March 10: Board Committee on Development Effectiveness (CODE) review of concept note
- March–May: consultations on what should go into the strategy
 - Multi-stakeholder events in developing countries
 - March 18: Geneva meeting with delegations and Civil Society Organizations (CSOs)
 - April: CSO forum at Spring Meetings
- June–August: simultaneous internal and external review of draft strategy
- September: CODE review of strategy paper
- Fall 2010: Board discussion and public release of the strategy