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**LEVERAGING TRADE FOR DEVELOPMENT:
THE WORLD BANK AGENDA**

September 2003 PROGRESS REPORT

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Abbreviations

AAA	Analytical and Advisory Activities
ACP	African, Caribbean, and Pacific
AERC	African Economic Research Consortium
AGOA	African Growth and Opportunity Act
ASEAN	Association of South East Asian Nations
ATI	African Trade Insurance Agency
CAFTA	Central America Free Trade Agreement
CEMAC	Communauté Economique et Monétaire de l’Afrique Centrale
CIS-7	Commonwealth of Independent States - 7
DFID	Department for International Development
DL	Distance Learning
DTIS	Diagnostic Trade Integration Study
ECES	Egyptian Center for Economic Studies
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
EERC	Economics Education Research Consortium
EU	European Union
FDI	Foreign Direct Investment
GATS	General Agreement on Trade in Services
GDLN	Global Development Learning Network
GEP	Global Economic Prospects
GFP	Global Facilitation Partnership for Transportation and Trade
HOA	Head of Agency
IDF	Institutional Development Fund
IF	Integrated Framework
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
IT	Information Technology
ITC	International Trade Center
JITAP	Joint Integrated Technical Assistance Program for Africa
JVI	Joint Vienna Institute
LDC	Least Developed Countries
NAFTA	North American Free Trade Agreement
NBER	National Bureau of Economic Research
NGOs	Non-governmental Organizations
NTTFC	National Trade and Transport Facilitation Committee
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
PSI	Preshipment Inspection
PTAs	Preferential Trading Arrangements

SADC	Southern African Development Community
SATRN	Southern Africa Trade Research Network
SDT	Special and Differential Treatment
SMEs	Small and Medium Enterprises
TA	Technical Assistance
TCB	Trade Capacity Building
TCBDB	Trade Capacity Building Database
TRIPS	Trade-Related Aspect of International Property Rights
TRTA/CB	Trade-related Technical Assistance and Capacity Building
UEMOA	Union Economique et Monétaire Ouest Africaine
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNECA	United Nations Economic Commission for Africa
UNECE	United Nations Economic Commission for Europe
UNESWA	United Nations Economic and Social Commission for West Asia
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
WBI	World Bank Institute
WIPO	World Intellectual Property Organization
WITS	World Integrated Trade Solution
WTO	World Trade Organization

Preface

This is the fourth report to the Board of Executive Directors on the Bank's trade agenda and work program. The previous one was discussed at an informal meeting of the Board of Executive Directors of the World Bank on April 9, 2003 and provided a comprehensive picture of the Bank's operational agenda. This Progress Report has a special thematic focus on trade capacity building (TCB) given the high priority attached to this subject in the Doha Agenda and the attention it will attract at the upcoming Cancun WTO Ministerial meeting. The report also provides a brief update on the operational agenda, a new Bank initiative on trade facilitation, and the Integrated Framework.

For the purposes of this report, we adopt the definition of trade capacity building (TCB) used in the joint WTO/OECD Trade Capacity Building Database. In that exercise, TCB is defined to include activities that intend to enhance the ability of the recipient country to:

- formulate and implement a trade development strategy and create an enabling environment for increasing the volume and value-added of exports, diversifying export products and markets and increasing foreign investment to generate jobs and trade; or
- stimulate trade by domestic firms and encourage investment in trade-oriented industries; or
- participate in and benefit from the institutions, negotiations and processes that shape national trade policy and the rules and practices of international commerce.

TCB *does not* include broader initiatives which may nonetheless be important for successful trade performance, such as projects addressing macroeconomic management, the investment and business climate, corporate governance, privatization of state-owned enterprises, small and medium enterprise development, financial sector reform, government transparency, productive sector policies, and infrastructure investment, unless these projects contain a specific TCB component explicitly mentioned in activity documentation, according to the OECD/WTO criteria for inclusion in their trade-related technical assistance and capacity-building database. (See Annex 1 for the full OECD/WTO definition.)

The report has been prepared by Gianni Zanini and Phil English under the supervision of Uri Dadush and Roumeen Islam, with contributions from the staff of the International Trade Department and the regional trade coordinators. Chunfang Yang provided assistance in analyzing the capacity building components within the trade-related project database maintained by Zeynep Ersel. Following the informal Board discussion that took place on September 4, 2003, minor revisions were made to clarify some passages and to rectify minor errors in TCB-related figures (US\$ and shares).

Executive Summary

Trade capacity building (TCB) in developing countries is critical if these countries are to deal with weak trade-related policies, institutions and human capital, and maximize their gains from trade. This report focuses on the World Bank Group's program in TCB. This program's objectives are to build capacity in client countries to:

- Formulate and implement sound trade policy to enhance growth and reduce poverty
- Manage the adjustment costs of trade reform and external trade shocks
- Participate effectively in international negotiations
- Develop appropriate regional trade policies

The report makes three main points. First, the overall agenda in TCB is broad, and presents many challenges for the Bank and its clients. On the domestic front, these include mainstreaming trade in countries' development strategies and PRSPs, dealing with the adjustment costs associated with internal and external changes, and advancing the unfinished trade liberalization agenda. At the international level, they include coping with the proliferation of bilateral and regional agreements, and making progress on the Doha multilateral negotiations.

Second, the Bank is using various means to address these challenges. These include an enhanced lending/technical assistance portfolio, expanded client learning programs, and strengthened partnerships. New lending for trade capacity-building has doubled from \$132 million in 1998-2000 to \$267 million in 2001-3, resulting in a portfolio of 50 operations at end-FY03. This expansion of technical assistance has been accompanied by the appointment of trade coordinators in each region who are responsible for ensuring a strategic approach to capacity-building. Client learning programs on trade policy and the global trade agenda have also expanded significantly in size and thematic reach, doubling in number between FY02 and FY03. In the new and integrated Trade Department, learning activities are deepening their links with Operations, and capitalizing on new policy work. WBI and the trade research group are also jointly pursuing a long-term program of support to developing country researchers in collaboration with other parts of the Bank.

Complementing this work and aimed at supporting a pro-poor outcome in the different negotiations faced by clients, the Bank has an active communications and advisory role pre-Cancun. To play this role, the Bank draws on the research of the Trade Department, whose research program reflects client priorities. The Bank uses a number of instruments and is strengthening its capacity by adding staff positions in Geneva. A new trade facilitation initiative that the Bank is launching will expand expertise, advice, and financing in partnership with other international agencies and bilateral donors, for reducing transport and processing costs in ports, customs, transit and multimodal transport. Finally, the Integrated Framework (IF) is gradually attracting additional funding and moving into the implementation stage

Third, capacity building is a long-term goal requiring sustained commitment from both clients and donors. The Bank, as it marshals its assets in an increasingly coherent fashion, is better placed today to meet some of the challenges in the TCB agenda. But the agenda is large and complex; the Bank together with its partners, will need to stay the course.

Part I: Trade Capacity Building

1. Part I of this Report provides an overview of trade capacity building (TCB) in the Bank. First, it focuses on trade-related technical assistance in Operations (Section I). Second, it turns to capacity building programs undertaken by the Trade Department. These consist of learning programs offered by WBI and research capacity building activities undertaken by DEC and WBI, jointly with ARD (Section II). Part II offers brief updates on Bank advocacy activities related to the global agenda (Section III), operational trade lending and AAA more generally (Section IV), a new Bank initiative on trade facilitation (Section V) and progress with the Integrated Framework (Section VI).

I. Technical Assistance in Operations

2. At Doha, in November 2001, the trade ministers of WTO member countries emphasized that trade capacity building (TCB) is a core element of the development dimension of the multilateral trading system. The Bank has geared up to meet these demands and expectations by reinforcing its existing programs to address weak policy frameworks, institutions and human capital in developing countries. The main thrust in its technical assistance work has been in the areas of trade and transport facilitation, export development and standards.

3. In its analytical and advisory activities (AAA), and especially the process of carrying out the Diagnostic Trade Integration Studies (DTIS) under the Integrated Framework (IF) Initiative, the Bank contributes to capacity building by using local and regional consultants. Over one-half of the consultants hired to work on the studies have been local, while many others have been Part II nationals. Among Bank projects approved between FY98 and FY03, 50 projects with 79 TCB components were active during the fourth quarter of FY03, with estimated TCB commitments of \$402 million.¹ There has been rapid growth in this portfolio. Lending for TCB amounted to \$132.0 million over the three-year period of 1998-2000, but doubled to \$270.0 million in 2001-3.

4. Most of the projects with TCB components addressed three broad areas of trade integration: export development (in 33 projects, 30 percent of commitments), trade facilitation (29 projects, 56 percent of commitments), and standards (10 projects, 9 percent of commitments). Export development TCB was fairly equally divided between export promotion, finance, and competitiveness. Four projects provided assistance for strengthening trade negotiating capacity (Bangladesh, Ecuador, Panama, and Rwanda) and two projects addressed trade liberalization (both in the Africa Region). Table 1 provides a breakdown of the number of TCB components by objective and region. Table 2 provides the corresponding dollar amounts. (A complete matrix describing these projects is provided in Annex 2.)

¹ Note that the portfolio under consideration in this section is a subset of the larger trade-related portfolio tracked by the International Trade Department. The TCB portfolio of projects analyzed for this report excludes all trade-related infrastructure investment operations (according to the WTO/OECD definition), all projects with no technical assistance or capacity building components (thus, all adjustment operations), and other projects that have only minimal and very indirect links with international trade. Note that many projects have more than one TCB component.

Table 1. Objectives of TCB Assistance by Region (number of project components)

	AFR	EAP	ECA	LAC	MNA	SAR	Total
Trade Liberalization	2	0	0	0	0	0	2
Export Dev't: Promotion	7	1	1	2	1	0	12
Export Dev't: Finance	3	0	3	1	1	1	9
Export Dev't: Competitiveness	4	1	1	5	0	1	12
Trade Facilitation: Customs	2	0	9	1	0	2	14
Trade Facilitation: Logistics	1	1	0	0	0	0	2
Trade Facilitation: Other	2	0	2	6	3	1	14
Standards	3	1	3	2	1	0	10
International Negotiations	1	0	0	2	0	1	4
Total	25	4	19	19	6	6	79

Table 2. Value of TCB Components by Objective and Region (US\$mil.)

	AFR	EAP	ECA	LAC	MNA	SAR	Total	%
Trade Liberalization	1.2	0.0	0.0	0.0	0.0	0.0	1.2	0.3%
Export Dev't: Promotion	27.7	6.6	0.7	7.5	5.0	0.0	47.5	11.8%
Export Dev't: Finance	11.9	0.0	8.0	2.5	4.6	6.1	33.0	8.2%
Export Dev't: Competitiveness	13.1	0.0	163.6	4.4	0.0	8.7	189.8	47.2%
Trade Facilitation: Customs	0.1	1.5	0.0	0.0	0.0	0.0	1.6	0.4%
Trade Facilitation: Logistics	11.5	2.9	11.5	7.7	2.8	0.0	36.5	9.1%
Trade Facilitation: Other	4.5	0.0	0.0	7.7	0.0	6.1	18.4	4.6%
Standards	14.5	2.9	0.4	23.2	0.0	2.9	43.8	10.9%
International Agreements	2.6	0.0	2.7	13.0	9.6	2.6	30.5	7.6%
Total	87.1	13.9	186.9	66.1	21.9	26.4	402.3	100.0%
percentage	21.7%	3.5%	46.4%	16.4%	5.5%	6.6%	100.0%	

Note: Where TCB components have more than one objective, the total cost of the component was allocated equally between the objectives.

5. The two largest expenditure categories were local and international consultancies for policy analysis and project implementation and information technology (each accounting for around 30 percent of total TCB commitments). Equipment and civil works was another significant element (14 percent), followed by training (12 percent). Information and data collection, project implementation units, and the recurrent expenditures of beneficiary institutions accounted for the remainder. Some of these consultancies provide an important opportunity for local researchers and practitioners to work with foreign experts on practical problems, complementing other Bank programs to support

research capacity (see below). Box 1 provides three examples of Bank projects, which incorporate TCB.

Box 1: TCB in Selected Bank Projects

To illustrate the wide variety of TCB components in the Bank's portfolio, this box provides brief descriptions of the TCB content of three individual projects: a self-standing LIL to promote horticultural exports in Jordan; a trade and transport facilitation technical assistance project in Pakistan; and a private sector development project in Benin.

The development objective of the \$5 million *Horticultural Exports Promotion and Technology Transfer Project for Jordan* approved in FY02 is to improve horticultural export marketing. A first component finances the creation of a specialized department devoted solely to the promotion of horticultural exports in the Jordan Export Development Corporation. It also provides limited support to the Agricultural Marketing Department of the Ministry in its role of collecting and relaying market prices to farmers, collecting statistics on production and export volumes, lobbying for export-friendly policies, and regulatory functions. The second component finances technology development and transfer, capacity building for small and medium scale farmers, and technology transfer specialists. The third component supports quality testing and certification of export produce. Training and consultancies for these three components account for about \$2 million, while IT accounts for another \$2.4 million. A fourth component of about \$0.6 million funds the project coordination unit.

The \$3.5 million *Trade and Transport Facilitation Project for Pakistan* approved in 2001 is a small TA project with broad ambitions: to establish a public/private sector collaborative institutional framework, to develop the first phase of Pakistan's medium-term trade and transport facilitation program, i.e., to modernize trade practices and procedures based on international best practices. The first component calls for the establishment and operation of the National Trade and Transport Facilitation Committee (NTTFC) Secretariat. This component finances consultancy services to be provided by UNCTAD; incremental costs of the Secretariat's professional staff; selected, and agreed reimbursable operating costs of the Secretariat and the Ministry of Commerce (local support staff, office space, utilities, and cash contributions among others, are to be provided by the Pakistan Shippers Council). A second component supports outside expertise to draft modern trade and transport facilitation procedures, documents, and legislation. A third component is for human resources development, by supporting training to NTTFC Secretariat staff and to the public/private staff directly involved in project implementation. Other facilitation projects such as those for South-East European countries include technical support and training for customs reform and for improvements in business processes and transport operators' performance.

TCB components are also to be found in the \$13.4 million *Benin Private Sector Development Project*, approved in FY00, which aims to improve Benin's business environment, local enterprises' competitiveness, and the access of SMEs and micro-enterprises to credit. About 28 percent of project commitments are for (i) operating cost, equipment and consulting services for ADEX, a newly created association of exporters; (ii) workshops, studies, and other TA on strategies and actions to develop exports other than cotton; (iii) the establishment and operation of a matching fund scheme and trade information center; and (iv) an Export Promotion Zone.

6. Adjustment operations, while not financing TCB, are often accompanied by technical assistance operations in support of TCB. Of the six adjustment loans with significant trade-related components and active in the last quarter of FY03, four had complementary TCB assistance available under parallel Bank projects (Sao Tome and Principe, Cape Verde) or other donor projects (Kyrgyz Republic and Tajikistan). TCB assistance focused on agricultural trade and general export development was available in a fifth case (Tunisia).²

7. The number and types of TCB components vary significantly across regions depending on client priorities. They are concentrated in three regions, which are generally committed to global

2 The sixth case was that of Tanzania. In June 2003, a new PRSC was approved for Tanzania, and one of its aims is to enhance the profitability of agriculture broadly and export products of rural origin in particular.

integration but having difficulty reaping the benefits (Latin America, Africa, and Eastern Europe and Central Asia). Not surprisingly, East Asia has relatively few TCB activities given its relatively successful trade performance. The modest share of TCB in South Asia and the Middle East reflects the relatively lower priority attached to integration by some of the countries in those regions. Nevertheless, the trade coordinators in these latter two regions are actively seeking opportunities to enhance TCB wherever clients express interest. And, as described below, the East Asia region has been particularly active in non-lending services in collaboration with WBI.

8. *Africa*: TCB assistance consists of 11 projects reaching 9 countries (The Gambia, Ghana, Rwanda, Madagascar, Niger, Benin, Tanzania, Cote d'Ivoire, and Senegal). All but two are focused on export development. Three projects also address standards, while three others are devoted to trade facilitation. In addition, a \$110 million *Regional Trade Facilitation Project* approved in FY01 aims at improving access to financing for productive transactions and cross-border trade by supporting the establishment and start-up phase of a regional political insurance facility, to be implemented and managed by a new multilateral agency, the African Trade Insurance Agency (ATI). The Africa Region's priorities for future TCB assistance are focused on institution-building related to trade facilitation (including customs reform) and to meeting standards to support a stronger supply response to the trade liberalization already undertaken by African countries and to the expected improvements in market access to developed countries' markets. They also include support to a regional research network affiliated with West African Ministers of Agriculture, substantive inputs to technical and ministerial meetings on the Doha round negotiations, WTO accession (e.g. Ethiopia), and integration of the trade agenda in planned private sector development and governance operations.

9. *East Asia and the Pacific*: The EAP Region has three active projects with TCB content related to trade logistics and customs procedures (*China Inland Container Project*) and standards (*China Sustainable Coastal Resource Development Project*) and planned institutional reforms in a critical export sector for Papua New Guinea (*Gas Development and Utilization Technical Assistance Project*). Many countries in the Region have already graduated from first generation border issues, but standards, transport and logistics remain important barriers to trade expansion. The EAP Region also jointly organized with WBI technical assistance services on regional integration and Doha round issues to an ASEAN network of senior trade advisors as well as to Indonesian trade negotiators. The Region plans future TCB support in food safety (e.g. the proposed *Philippines Crop Diversification project*) and in transport and logistics to reduce inland transport costs (e.g., in the Mekong area and in Papua New Guinea), and to insure safety and security in the Malacca Straights (e.g., the proposed *Marine Electronic Highway Project*). In WTO accession countries, in addition to providing AAA, the Region jointly organized and co-funded with WBI a number of learning events in FY03 and intends to respond positively to Vietnam's recent request for further Bank assistance to accelerate accession, involving new studies, learning programs, and TCB lending.

10. *Eastern Europe and Central Asia*: TCB assistance within 15 projects in the ECA Region is distributed between trade and transport facilitation (South-East Europe), customs reform (South-East Europe, the Kyrgyz Republic, and Russia) and export development (Bosnia, Armenia and Turkey). Technical assistance to Russia in preparing and reviewing new legislation and administrative regulations related to Russia WTO accession were also funded under an almost completed *Legal*

*Reform Project.*³ In transport and logistics, the Region is planning to support a regional training center linked to existing national centers in the CIS-7 and a website to share information on regulations in three countries.

11. *Latin America and the Caribbean:* The same focus on export development and trade facilitation characterizes the LAC Region's portfolio, but on areas other than customs and logistics. It consists of 9 country projects (for Central American and Andean countries) and a regional emergency project for the Eastern Caribbean countries with a small trade facilitation component. Beyond a CAFTA study under preparation, previous plans for new loans to support TCB in the Caribbean and Central American countries have been set aside as these countries are able to draw on technical assistance from bilateral donors on a grant basis.

12. *Middle East and North Africa:* Three countries (Jordan, Morocco, and Tunisia) in this Region are currently beneficiaries of TCB projects with components addressing various aspects of export development (including agricultural exports and tourism) and trade facilitation. There are plans during FY04/05 to develop a project to support agricultural exports for Egypt and to follow up the current operation in Tunisia with another emphasizing trade facilitation. The principal interlocutor and financier of TCB in the region is the EU, with which various countries have or are in the process of concluding association agreements. Nonetheless, it is both a priority and a challenge for the Bank to build the institutional bases at the regional and country levels to carry out a joint, expanded work program, as there are few well-equipped institutes and professionals currently working in these areas within or outside of government.

13. *South Asia:* The South Asia Region's three TCB operations focus on trade and transport facilitation (in Pakistan and Nepal) and export development (Bangladesh). In the latter case, the commitment for TCB amounts to \$18.4 million, including support for the WTO unit in the government handling the Doha negotiations, customs modernization, and assessing the cost and level of protection, with the rest of the \$32 million *Export Diversification Project* largely taken up by a matching grants facility for exporters. A proposed Public Sector Capacity Building Project (FY04) for Pakistan would also benefit the WTO unit in the Ministry of Commerce with components aimed at building negotiation skills, analytical capacity, and outreach on the Doha round.

3 This is not included in Tables 1 and 2 because these tables only cover projects approved between FY98 and FY03, while the Russia project was approved in FY96.

II. External Training and Research Support

Strategic Thrust

14. The objectives of the Trade Department's learning program are to enhance the capacity of developing countries (i) to put in place sound national trade policies and institutions that would enable them to take advantage of the world trading system and (ii) to participate effectively in multilateral and regional trade arrangements and negotiations, with a view to supporting domestic growth and poverty-reduction. Within the Trade Department, WBI takes the lead in providing training to clients.

15. The main audiences targeted are: (a) trade negotiators and officials who design and implement trade reforms; (b) trade researchers and trainers, who advise the negotiators, officials and politicians and help shape stakeholders' views; and (c) PRSP national teams, the private sector and civil society representatives that influence development strategies. Most program activities support both objectives, and many reach more than one audience; they may be tailored to a single country or delivered in a regional context. They draw on the best available analyses and resources inside and outside the Bank, and emphasize learning from practical experience around the world.

16. All country-level and most regional activities rely heavily on partnerships with developing country institutions as this serves the dual purpose of assuring the relevance of the initiatives undertaken and of building domestic training capacity. Local policy research institutes, universities, and regional institutions and networks help identify needs, design and co-finance events, provide resource materials and persons, coordinate with other agencies, and advertise and handle participants. WBI also collaborates closely with international partners active in trade-related areas. These partnerships allow WBI to leverage its limited resources and those provided by other donors⁴ to reach a greater number of people and countries and to build stronger ownership, and country relevance.

Recent Accomplishments

17. The WBI trade program has grown rapidly, in terms of staffing and activities, following its integration into the new Trade Department in mid-2002.⁵ During FY03, the core training team expanded from two to five economists, and developed and delivered 28 learning events, up from 12 in the previous year. A further 36% increase is planned for FY04. (See Annex 4 for a complete list of last year's actual deliveries and those planned for this year.)

18. During the last fiscal year, several initiatives were designed to strengthen capacity to participate in the Doha round. With funding from the President's Contingency Fund, WBI helped the WTO to launch its 12-week course for trade officials in Africa, with two initial offerings in

4 The program has benefited from regular support provided by the governments of the U.K., Netherlands and Italy.

5 In FY02, WBI organized 12 learning events and together with DECRG it produced the "Development, Trade, and the WTO: A Handbook". This book is being translated into Russian, Chinese, French, Spanish and Khmer.

Nairobi and Casablanca. Subsequently WBI assisted the WTO to increase the African content for the second offering for Anglophone Africa at the end of FY03. Some seventy African officials who will be directly involved in the Doha negotiations have thereby received extensive and in-depth training.⁶

19. Another important initiative relevant for international trade talks is the development and dissemination of a trade database and policy simulation tool, the World Integrated Trade Solution (WITS). This tool will be extremely useful for analysts in assessing the impact of their country's tariff reduction offers, concessions by trading partners, and proposed negotiating formulae. After many years of work, the product is now ready to be used by analysts around the world and the Bank faces strong demand for training in its usage. In addition, WBI's program in Indonesia required sending international experts to strengthen its negotiators' ability to address key Doha round issues. WBI also held a workshop in Ghana with a local think tank in order to broaden the debate on trade policy and the WTO to all key stakeholders.⁷ Support to local research capacity, an important contribution to effective participation in the multilateral talks, is covered below. In China, WBI continued its most important national program of training, targeting trade policy makers and advisors, researchers, and business leaders. The focus shifted from Beijing to the Western Provinces in order to broaden understanding of the implications of WTO accession in some of the poorest regions of the country.⁸ The continuing demand for Bank trade-related learning and research contributions by a longstanding recipient like China, even following its accession to the WTO and its emergence as an export giant on global markets, provides strong evidence of the positive impact of the past capacity building efforts of WBI, DEC and EAP.

20. WBI built on its experience in China to launch learning programs with EAP for Vietnam, Laos and Cambodia to help those countries prepare for WTO accession (see Box 2 on Cambodia). These drew on the EAP flagship publication on trade and poverty as well as the Cambodia IF diagnostic study. The integration of learning events with an active AAA and lending program to foster private sector development and improve the investment climate has been instrumental in improving the quality of domestic trade policies, accelerating the path to WTO accession, and strengthening the consensus around both.

21. Finally, WBI has addressed the issue of mainstreaming trade into PRSPs in its learning events. WBI organized and participated in sessions at the third CIS-7 Forum on Poverty Reduction Strategies in Kazakhstan, while Trade Department and AFR staff collaborated on a PRSP workshop for francophone West African countries in Senegal, to draw the attention of national PRSP teams to the importance of trade as an engine of growth and poverty reduction. Similar input was provided for a session on trade and poverty in Africa at a PRSP workshop for African labor union leaders in Zambia.

6 Another 5 from accession countries also participated.

7 Ghanaian government officials, private sectors leaders, academics, NGOs (including Third World Network), parliamentarians, labor leaders and journalists were all in attendance.

8 Two activities to deepen understanding on trade in services and agriculture were also planned but had to be postponed to FY04 due to the SARS epidemic.

Box 2 – Cambodia: the Learning Program

In January, WBI delivered a learning program to 100 government officials and advisors in key policy institutes in Cambodia, Laos, Vietnam, and Mongolia on trade and growth and the new trade agenda. This program was delivered in collaboration with the EAP Region and as a follow-up to the Asian Development Forum held in Seoul, South Korea. Subsequently, WBI organized a country-focused event for Cambodia and Lao PDR and another one for Vietnam (which reached more than 600 participants). The three-day senior policy seminar in early May in Phnom Phen on the IF and WTO accession was organized jointly with Cambodia's Ministry of Commerce and Economics and Finance Institute, as well as with other Bank units (EAP and DEC) and co-funded by the Netherlands.

Each of the nine sessions, on issues ranging from agricultural trade policy and services trade to poverty reduction, was jointly delivered by local and international speakers, including IMF and Bank staff. Two sessions had a special emphasis on export promotion, as requested by our clients. A value-chain analysis was presented showing policy and institutional factors hindering export and private sector development. Participants were especially animated in discussing industrial countries' agricultural policies and their concerns over the weak link between trade and poverty. The event's final session featured action plans by the policymakers for WTO accession.

Among the 45 seminar participants were under-secretaries of state and director generals, members of core teams for the IF study and WTO negotiation, and officials from various ministries from Cambodia and Lao PDR. Overall, the quality of presentations was high and participants were satisfied: 88% of them rated the seminar 4 or 5 out of 5, with average score at 4.4. WBI and EAP are now supporting the production of a video on Cambodia's trade opening and mainstreaming experience in both the local language and in English that will be used locally to build consensus on the country's trade policy and forthcoming WTO accession and in other WBI offerings, including PRSP fora, to illustrate a successful country experience.

FY04 Program: Meeting Key Objectives

22. In FY04, the Trade Department will expand its learning programs further with plans for 38 capacity-building initiatives in all six regions led by WBI. These will be fairly evenly divided between its two key objectives: strengthening national trade policy and institutions, and improving participation in international trade negotiations.

23. *National Trade Policy and Institutions.* Until recently, WBI focused primarily on enhancing the understanding of the welfare and development impact of international trade agreements, negotiating options, and their implications for domestic policy. In FY04, WBI's trade team will increase resources devoted to strengthening national trade policies, highlighting in its skills-building programs the sources of aggregate welfare gains from trade as well as the issue of adjustment costs for the vulnerable and poor segments of society in the context of changing international rules and market opportunities. It will also expand its reach in low-income IF/PRSP countries, and in countries whose importance in the global trading system is or could be substantial. Since many of these countries are in the process of WTO accession, the latter will become an important dimension of WBI work

24. National trade policy issues will be addressed in a number of global and regional activities. WBI will continue its collaboration with the Joint Vienna Institute in order to provide a sound analytical foundation to young economists in transition economy governments. A new core course on trade in services will be launched in Washington, for a global audience, and in Lebanon, for the

Middle East. The focus will be on identifying the conditions for successful liberalization of services in the national context, but with some attention to the implications for participation in regional and multilateral negotiations. In China, planned events are mostly focused on domestic reform options and responses to international commitments, with an emphasis on fiscal implications of accession commitments, agricultural trade policies, and services liberalization. In addition, WBI plans multi-year engagements in a number of countries for whom accession is a priority, such as Laos, Vietnam, Yemen, Ethiopia, and Russia, with local workshops and courses to facilitate accession, help shape the domestic trade and institutional reform agenda, and build a constituency for both. In Vietnam, for example, WBI will work with EAP to design and conduct a pilot learning activity, which will then be replicated in the various provinces in order to build consensus throughout the country.

25. To highlight the importance of trade and trade related issues for development strategies and in PRSPs, WBI will continue to contribute to national and regional PRSP workshops and civil society fora that facilitate debate among different stakeholders on the costs and benefits of deeper trade integration. These workshops will illustrate the impact of changes in the global trading system on the welfare of countries and the poor and will highlight how domestic policies may be designed so as to increase benefits for the poor.

26. The Trade Department will also introduce learning programs covering institutional reform in areas such as trade facilitation, export development, and product standards. This reflects strong demand from clients and the Bank's country teams for capacity building in connection with completed or planned diagnostic trade integration studies and lending operations. For example, WBI is planning a learning program on export development and trade facilitation in Ethiopia where the Africa Region is preparing a new PSD capacity building project. In Russia, WBI plans to develop and deliver a program to train a whole cadre of trainers in the different regions on trade policy and the WTO. This program responds to demand from the Ministry of Economic Development and Trade, which is eager to reach regional officials with training on the implications of accession. This plan and a parallel one focused on customs-related training would complement the ongoing joint ECA-DEC research program on WTO accession and the ECA Region's recent loan for customs reform and modernization. In Egypt, where WBI plans to deliver a regional export development and trade facilitation course, the MNA country team is preparing a project addressing these same areas.

27. *International Trade Negotiations.* A number of global, regional, and country-level activities planned for FY04 aim at supporting the effective participation of trade and government officials and their advisers in multilateral and regional trade negotiations. These include the Dubai roundtable at the Annual Meetings, a joint meeting with UNESCWA for regional experts and Trade Ministers pre-Cancun, support to AERC national workshops, and expert seminars and consultations provided to Indonesia.⁹ Dissemination of WITS, as well as contributions to WTO courses in Geneva and Africa also fall into this category. Among planned regional activities, the Africa agricultural trade seminar will have a strong global agenda dimension. The proposed program for CAFTA will deal with issues arising from overlapping multilateral, regional, and bilateral trade arrangements.

9 In parallel with ongoing work by the Bank on a diagnostic trade study, the Indonesian authorities requested in early 2003 additional technical advisory services on Doha round negotiations issues. WBI responded by mobilizing within three months experts on services, WITS, and investment and competition policy. In FY04, in close cooperation with EAP, WBI will continue to organize a series of visits and activities involving Bank and non-Bank experts offering seminars and consultations to Indonesian officials from various ministries as well as economic researchers from local think tanks.

28. To increase awareness on sound trade policy and the development dimensions of the Doha negotiating round, the Trade Department is engaged in various information-sharing activities such as continuing web site development for its trade program, production of a video on Cambodia's experience with trade opening and mainstreaming (see Box 1), and a trade-focused, pre-Cancun issue of its Development Outreach magazine. Moreover, in July and August, WBI organized two global dialogue events for Africa and Asia to familiarize journalists with the Doha Development Agenda. Forthcoming general learning events for journalists will include coverage of trade issues. Most importantly, WBI plans substantial work on the development of material to support capacity-building initiatives, incorporating theoretical concepts, empirical evidence and lessons from country experiences with trade policy reform and implementation. Through widespread dissemination, directly to trainers and indirectly via our website, this will have a major multiplier effect.

Supporting Research Capacity

29. *World Bank Institute:* Researchers in developing countries have a crucial role to play in analyzing the economic impact of global and regional trading arrangements and in advising policy makers on negotiating options, as well as on domestic policy implications. Within the Trade Department, WBI and DEC have worked on capacity building programs as well as joint research with two research and advisory networks in Africa (SATRN and AERC, see Box 3) for the past three years, and on a smaller scale in MNA, South Asia and LAC.¹⁰ A similar program of support jointly with the EAP region for a network of researchers and advisers in ASEAN has been initiated in 2003. WBI plans to continue supporting the research and dissemination programs of these networks and their links with policy makers with financial contributions, advice, and specialized training (production of papers, peer and external reviewing, national and regional senior policy workshops, and technical courses).

Box 3 - Africa: Supporting the African Economic Research Consortium

For the past three years, WBI and DEC supported the African Economic Research Consortium (AERC) to enhance local understanding of the trade liberalization experience, the constraints imposed by domestic supply conditions and foreign market access, and the ways in which African countries might use the WTO process to further their development objectives. The UK and the Netherlands provided trust funds for this work and are also funding AERC directly, along with EU, USAID, and UNDP.

AERC trade researchers benefited from the establishment of links with DEC, especially on trade in services and product standards, and with ARD on agricultural trade. At the AERC gathering in November 2002 in Kampala, fifty researchers from twenty-five African countries presented work in progress on country case studies in the manufacturing, agriculture and services sectors, reviewing each others' work and receiving feedback from WBI, World Bank, WTO, and AERC resource persons.

¹⁰ In LAC domestic capacity is less of a constraint than in other regions and, moreover, other strong institutions are supporting TCB, like the IDB and the OAS Secretariat. Nonetheless, we have supported the Latin America Trade Network in a similar manner to our support for SATRN, with funds, staff inputs to courses, and common research projects, such as an ongoing one on analyzing implementation costs in three country case studies. We also have a joint research project with ECLAC on gathering and analyzing data on services regulations and performance. Moreover, major trade analytical reports, such as those on Brazil, NAFTA, and an ongoing one on Central America, have relied extensively on the inputs of local consultants and have been widely disseminated.

The AERC has been working closely with the UNECA, and the African Union, in their efforts to establish Africa-wide positions on various issues. Several AERC researchers act as trade advisors to their governments and played a critical role in the preparations of both pre-Doha and pre-Cancun technical and ministerial meetings. Their active role was a major reason why Africa was decidedly better prepared for the launch of the new round than at the time of the Uruguay Round, and their contribution was formally acknowledged by the Africa Group at Doha.

30. *Development Economics*: In addition to its own research program, DEC is working to counteract the critical shortage of analytical skills in many developing countries, by collaborating with local and regional partner institutions and research networks. Responding to the widely felt need for enhanced research capacity on trade in services in developing countries, DEC launched a work program, supported in part by the U.K. Department for International Development (DFID). It is working with researchers around the world to collect and analyze data on regulations and performance, which is made publicly available for cross-country comparison. The objectives are to improve services trade policy formulation and facilitate the effective participation of developing countries in the services negotiations at the WTO. The program is being undertaken in collaboration with other international organizations (such as UNCTAD, WTO, OAS, ECLAC and OECD), and various research networks and institutions. In the case of the AERC and SATRN, such joint research work is pursued in the context of capacity-building programs managed by WBI (see Box 3).

31. In Malaysia, DEC staff have carried out under an ongoing research project analytical work on technology transfer which supported capacity building activities aimed at assisting government officials in carrying out diagnostic studies of firms' performance. A workshop was held to teach officials how to conduct economic analysis, including cleaning data sets, defining hypotheses, and testing hypotheses in panel regression settings. In the ECA region, DEC staff is assisting the Economics Education Research Consortium (EERC) to expand its new capacity-building program in trade policy. Young researchers are guided in the definition and execution of research proposals in a field where there is little if any research tradition.

32. A research program to quantify the impact of standards as barriers to trade relied largely on local researchers to conduct five case studies in Africa (Mozambique, South Africa, Uganda, Kenya, Nigeria). This work was recently published in a volume on standards and trade in Africa and will provide information to policymakers and Bank staff on options and priorities regarding standards-related policies applied by trading partners.¹¹

33. Another large DEC research project that contributed to capacity-building has been the work on China's WTO Accession, initiated five years ago in parallel with a training program managed by WBI. The involvement of Chinese economists and the partnerships with Peking and Tsinghua universities in analyzing the implications on accession on poverty, inequality, fiscal, agricultural, industrial, and service sectors and policies has contributed to building a cadre of highly qualified trade researchers, advisors, and trainers. A volume presenting the contributions of all the partners in

11 Wilson, John S. (Ed.), *Standards and Global Trade: A Voice for Africa*. World Bank, 2003.

this effort was recently published.¹² (A list of recent major DEC outputs, published articles, and working papers can be found in Annex 5.)

34. *Agriculture and Rural Development Department*: In agricultural trade, ARD has carried out a program of research on the implementation of the Uruguay Round Agreement in Agriculture and options for developing countries in the Doha Round. One aspect of this work has been a series of regional workshops in collaboration with WBI and regional research institutions, aimed at building the capacity of local researchers by commissioning them to carry out work on topics of specific interest in their region and supporting them with collaboration from Bank staff and internationally recognized experts. This has been done in South Asia, Latin America, the Middle East and North Africa, and Sub-Saharan Africa, resulting in a volume of conference papers in each case. (See Annex 5) Lessons from this research are proving very useful in crafting the Bank's message on how to ensure pro-development outcomes in the Doha Round. Some of this regional work—notably the Africa research—is being followed up with more detailed research on SADC, in collaboration with the University of Pretoria and IFPRI, and will feed into future WBI training.

35. *Regions*: Much of the Economic and Sector Work conducted by the Regions also involves local researchers, and helps build their analytical capacity. While the tasks are typically smaller and of shorter duration than those outlined above, they are particularly policy-oriented. The various flagship reports described in para. 44 below provide some examples of major ESW involving local experts. Others were detailed in the Annexes to the April Progress Report, which detailed the Operational Trade Agenda.

12 D. Bhattasali, Shatong Li, and W. Martin, eds., *WTO Accession, Policy Reform and Poverty Reduction*. Oxford University Press and the World Bank, 2003.

Part II: Global and Country Agendas: Update

36. In this part of the report, we provide an update on the overall trade work undertaken by the Bank and discussed in earlier reports. This update includes all activities undertaken in FY03 as well as activities planned for FY04. Section III covers the various forms of advocacy undertaken to highlight and inform the development dimension of the Doha round. We then turn to AAA and lending activity in Operations (Section IV), a new multi-agency initiative to expand trade facilitation assistance (Section V), and finally a review of recent progress on the Integrated Framework (Section VI).

III. The Bank's Advocacy Role in the Global Arena

37. At the global level, the Bank aims to influence the Doha process by promoting a more open, predictable and transparent trading system that addresses the needs of developing countries. To influence the political leadership and public opinion in the North and the South, as well as the broader development community, the Bank has sought to clarify and present its main messages in policy notes and flagship publications and to amplify their reach with high-profile speeches and behind-the-scenes bilateral discussions. Moreover, it has also sought to improve outside perceptions of the Bank by emphasizing its commitment to supporting pro-poor trade reforms in borrowing countries, its partnership spirit, and its broad operational agenda in trade.

38. Five Trade Notes have been prepared with the aim of clarifying the Bank's views on important topics in the Doha round of negotiations and steering readers to the underlying research. The published notes address the issues surrounding the desirability of an international investment agreement; special and differential treatment of developing countries in WTO; rules of origin in PTAs; TRIPS and public health; and a summary of trade-related Bank activities (see Annex 2). For this fiscal year, 6-8 more notes are planned, covering all the remaining important areas, including the Integrated Framework (IF); trade and poverty; customs reform; agricultural trade; trade facilitation; and standards-related issues.

39. In the run up to the Cancun meeting, the Bank has released several influential papers, notably on SDT (Hoekman, et al, 2003), TRIPS and Health (Fink, 2003) and the Global Economic Prospects 2004: Realizing the Development Promise of the Doha Agenda. We have held several meetings with NGOs, journalists and policy makers. These included a seminar with NGOs (held jointly with the IMF) on Bank and Fund approaches to trade policy, a videoconference with NGOs in Europe and Africa, two videoconferences sponsored by the WBI with journalists in Africa and East Asia. Senior Bank staff participated in meetings of the ACP ministers, with the Arab trade ministers, with several WTO ambassadors and attended several meetings sponsored by private groups. All of these efforts were intended to communicate key ideas necessary to maximize the positive impact of the Doha agenda on developing countries.

40. The Bank will be active at Cancun; its views will be presented at the plenary session, and at two seminars targeted at delegates, NGOs and the press under the auspices of the International Center for Trade and Sustainable Development (one on Bank trade activities, the other on the substance of a pro-poor outcome of the talks). Another seminar will be organized for the Global Economic Prospects (GEP) 2004 report, and there will be a stand-by technical Bank team for consultations with the delegations on demand. The Latin American region will also host an event in Cancun to discuss the role of trade in LCR's development.

41. The last few GEPs have all dealt with aspects of the global trading system largely from the vantage point of the multilateral agreements and institutions that support it. While these are extremely important issues, there is a parallel trend occurring below the global level--more and more countries are electing to enter into one or (in most cases) multiple bilateral or regional agreements aimed at expanding trade, boosting investment, and enhancing cooperation in areas such as finance, infrastructure, migration, and regulatory institutions. The GEP 2005 will examine the implications of this trend toward regionalism, both for the countries involved and for the multilateral trading system itself. The proposed GEP will look at four different questions within this broad theme: is regionalism really happening? is regional trade integration working? is "deeper" integration working? and does regionalism lead to multilateralism?

42. In addition to its many publications, the Bank is maximizing its use of the Internet by revamping its external trade website (www.worldbank.org/trade) and providing a prominent link on the Bank's home page. Cooperation by the central trade website team with the regional and other vice-presidencies and assignment of responsibilities for content update on specific topics facilitates keeping the site continuously updated.¹³

IV. Country Agenda in Operations

43. The Bank continued to step up its *analytical and advisory activities* (AAA) on trade during the last quarter of FY03, with the Trade Department providing support to the regional vice-presidencies in the form of technical expertise. Several reports on trade integration were completed in the last quarter of FY03. The flagship report for the East Asia and Pacific (EAP) Region had a particular emphasis on trade and poverty, along with China's accession to the WTO. A major report by the Middle East and North Africa (MNA) Region covered a wide range of topics, including services liberalization, agriculture and regional integration; one for the South Asia (SAR) Region reviewed national trade regimes as well as special issues in the agriculture, clothing and textile sectors. The Africa Region has just issued a report assessing progress in first-generation trade reforms and identifying regional benchmarks. A regional study on the lessons from NAFTA is nearing completion in the Latin America and the Caribbean (LCR) Region.

¹³ The internal website is a mirror image of the external one, except for items that are not disclosed externally, such as Geneva updates and the consultant roster.

44. In the Europe and Central Asia (ECA) Region, a Diagnostic Trade Integration Study (DTIS) was completed for Azerbaijan and presented at an Investment Conference in Baku in May, which was attended by government officials, representatives from donor countries and multilateral institutions, as well as domestic and foreign investors. The Georgia DTIS was completed in June, while one for Moldova is ongoing, and one for the Kyrgyz Republic has been initiated. In the South Asia Region, a trade study was initiated for Afghanistan and its neighboring countries that will review regional trade prospects. Work in progress was presented at a meeting at end-June in Dubai, attended by officials from Afghanistan, its neighboring countries (Iran, Pakistan, Tajikistan, Turkmenistan and Uzbekistan), donors, and multilateral institutions. The completed study will be presented at a second meeting to be held in Dubai around the time of the Annual Meetings. In the EAP Region, a DTIS is ongoing for Indonesia. The work includes the preparation of a series of policy papers requested by the government to assist it in analyzing the impact of different scenarios related to the Doha round negotiations. These papers are to be completed prior to the Cancun meeting, while the full country report will be finished by the end of 2003. (Studies for IF countries are discussed in a separate section below.)

45. On the *lending* side, three operations were approved by the Board in the last quarter of FY03. These are a *Customs Development Project* for the Russian Federation in April, a *Trade Facilitation and Export Competitiveness Technical Assistance Project* for Peru in June, and a *Revenue Administration Reform Project* for Bulgaria, also in June.

46. Looking ahead, several AAA are being planned for FY04, including for Bangladesh, the Caribbean, Colombia, Ghana, Kenya, Pakistan, Southern Africa, Sri Lanka, and Tajikistan. Mongolia and Laos are planned for FY05. Under preparation in the Trade Department are also two working papers to quantify the impact of trade preferences (AGOA and Cotonou) for developing countries. Many lending operations are also in the pipeline and are listed in Annex 3. As follow-up to the January's Implementation Forum, a list of focus countries has been identified (see Annex 7) and the Trade Department is now developing outcome indicators to monitor each Region's trade activities for these countries.¹⁴

47. The Trade Department intends to expand its work program to respond to demands both at the regional and global levels, with additional resources devoted to trade facilitation and logistics, product standards, and capacity building. The Department also aims to strengthen its interactions with the WTO, OECD, EU, UNCTAD, UNIDO, WIPO and other trade-related research institutions and think-tanks in Europe. Staffing implications are considerable; it intends to hire a Senior Trade Facilitation Specialist and has already hired a Senior Economist and a Senior Advisor to be based in the Bank's Geneva Office. Staff in Geneva will work to establish links between the WTO membership and the Bank's operational work and to promote the Bank's trade work among the donor community in Europe. Two joint appointments have also been created—one with ARD and one in the Transport Unit – and a lead economist has been hired in PSI to focus on trade facilitation.

¹⁴ A decision was taken by the Bank senior management to single out a number of countries for special attention as to the trade-related assistance they will receive in the next three years, and to ratchet Bank assistance up and concentrate it on them for maximum impact (TCB and non; lending and non-lending), relying on additional and coordinated inputs from the Regions and the Trade Department. The countries were selected by the Regions and are mainly IF/PRSP countries and those other countries with substantial importance in the global trading system whose trade regime still requires significant reforms.

V. Expanding Trade Facilitation Assistance

48. For developing countries' exporters to take full advantage of the improved market access achieved so far and expected under the Doha round, other constraints must be lifted. Liberalization of trade policies in developing countries has already lowered substantially the implicit taxation on a country's exports that its import tariffs entail, although more can be done in this area. However, the cost of moving goods across international borders and between ports is often as important as tariffs in determining the cost of landed goods. Only a few developing countries are more constrained by trade taxes than by shipping costs. For the majority of Sub-Saharan African countries, tariff incidence typically amounts to less than 2 percent, while transport cost incidence often exceeds 10 percent. In fact, for 168 out of 216 U.S. trading partners, tariff barriers are outweighed by transport cost barriers.¹⁵ The latter costs, that show a wide variation among countries, can be lowered through policy (as in the case of tariffs), institutional, and infrastructure improvements.

49. An important part of these costs is associated with frequent reloading, complicated customs-clearance procedures, complex and nontransparent documentation requirements, and uncertainty about the enforceability of legal trade documents such as bills of lading. If developing countries can reduce these costs, their prospects for increased trade integration could expand significantly, especially but not only when coupled with enhanced market access. On trade facilitation alone, if countries with below average capacity could raise that capacity halfway to the global average, international trade would increase by \$377 billion annually – an increase of about 9.7 percent.¹⁶

50. The Bank has been working in close partnership with other international agencies under the umbrella group called Global Facilitation Partnership for Transportation and Trade (GFP). Currently, the Bank has active projects with trade facilitation and logistics components in 49 countries, about one third of our active client countries. These projects span all regions and their components range from tax administration reforms (including customs) in the Soviet Union, export competitiveness projects in Ghana and Bangladesh, transport and trade facilitation projects in Eastern Europe, and a trade finance project in Yugoslavia.

51. Given the new opportunities inherent in trade opening policies in Doha and elsewhere, the Bank intends to expand the scope of its trade logistics effort to a much larger number of countries through a new Trade Facilitation Initiative. One of the objectives of this program will be to reduce the average time it takes to transit ports and customs to the levels currently attained by the most efficient developing countries. Plans by the Regions indicate that by FY06 about 75 countries, or roughly 50 percent of our client countries, could be implementing projects with trade facilitation components. Lending is anticipated to increase from present levels of US\$ 2.2 billion to more than US\$3 billion by FY06.

52. This Initiative has been launched by the Trade and Infrastructure Departments in agreement and consultation with the Regions, with a combined work-program of US\$1.1 million for FY04. It is designed to support the Regions in their project identification and preparation activities in four

¹⁵ There are of course other, sometimes more significant, non-tariff barriers, in particular in agriculture; the point here is just to highlight the relative importance of transport costs as one of those.

¹⁶ John S. Wilson, Catherine L. Mann and Tsunehiro Otsuki, "Trade Facilitation and Capacity Building: A Global Perspective", World Bank, forthcoming.

areas: ports, customs, transit and multimodal transport. To reduce project preparation costs and increase project effectiveness, the Bank is assembling teams of experts and designing a modular approach to project development. These modules include performance indicators, generic terms of reference, consultant rosters, best practice notes and lessons from experience. This is being enhanced through strengthened cross-support in very specialized areas such as security, customs administration, and port reforms. Collaboration is also expanding with the Private Sector Advisory Services Department, most notably with respect to its work on the investment climate. Partnerships with other donors are being strengthened, including France, Netherlands, Switzerland and the United States, in order to enlarge the pool of knowledge, finance and expertise.

VI. The Integrated Framework

53. In July, the third Heads of Agency (HOA) meeting for the Integrated Framework for Trade-Related Technical Assistance (IF) reaffirmed the organization's commitment to effective integration of least developed countries into the multilateral trading system and articulated plans for building on the progress made under the IF. The HOA recognized the substantial progress made in the initial phase of the IF, and the strengthened collaboration among the agencies, donors and beneficiary countries. The program has already established a sound basis for raising the volume, relevance, and efficiency of trade-related capacity building for LDC partners as the principles of the IF – strong country ownership and a commitment to integrate trade into national development plans – are increasingly being adopted. (See Annex 8 for the Communiqué after the last Heads of Agency meeting in July of this year.)

54. The IF is now entering a key stage, moving from diagnostics to the implementation of action plans. Diagnostic trade integration studies (DTIS) have been completed or are near completion for thirteen LDC countries that entered the initial phase of the IF. These studies have provided a sound policy basis for the delivery of technical assistance and capacity building on trade, and have contributed to greater coordination among trade, finance and other ministries.

55. The concerned LDC governments have taken an active role in managing this process. What started as an inter-agency process is now embedded in a clear set of trade priorities and activities at the country level. There are encouraging signs of progress in implementing projects based on diagnostic action plans. The Bank has already developed follow-up projects in Cambodia (customs, WTO accession), Lesotho (entrepreneurial training, business climate), Mauritania (standards), Nepal (trade policy), Senegal (PSD operation) and Ethiopia (agricultural standards), where the authorities have validated the diagnostic findings, welcomed concrete follow-up by the Bank, other agencies, and donors, and strengthened monitoring of outcomes. More projects will be developed for other countries in the coming months. Donor and agencies' financial contributions to the IF have continued to grow—a recent high-level meeting in Copenhagen raised \$8.3 million for short-term high priority TA that can serve as a bridge between immediate needs and medium-term support from agencies and donors. These developments reflect the strong commitment of the agencies and donors to the IF as a viable model for LDCs' development as endorsed by WTO Ministers in the Doha Declaration.

56. To build on this progress, the challenge now lies mainly in implementation. To that end, we are working to better integrate trade into our policy dialogue and operational work. In particular, following the establishment of the Trade Department, we have substantially increased staff working on trade in the country programs. This change has been most significant in the Africa region, where the majority of the IF studies are based and where the Bank's input on IF diagnostic and implementation work is now being led by the country units. Notwithstanding the outcome of the evaluation now being finalized, we are already committed to work in a few areas. (a) We and our partners are stepping up our efforts through seminars and capacity building to help countries integrate their diagnostic studies into national development plans such as poverty reduction strategies. (b) We are seeking ways to make the IF process more flexible in the diagnostic phase and to accelerate the implementation of DTIS action plans. (c) We will continue our efforts to increase synergies and complementarity between the Integrated Framework, the Joint Integrated Technical Assistance Program for Africa (JITAP) and other trade-related technical assistance programs, both at the country level and between institutions.

TRTA/CB According to the WTO/OECD

Since 2002, the Bank has begun reporting on a regular basis to a joint WTO/OECD database that gathers information on “trade-related technical assistance and capacity building (TRTA/CB)” activities provided by bilateral donors and multilateral agencies. Aid activities to enhance the infrastructure necessary for trade--transport, storage, communications, and energy--are the only ones explicitly excluded from this database and thus agencies have liberally interpreted the eligibility criteria to include virtually all PSD and productive-sector related activities.

For the purposes of the Joint WTO/OECD Trade Capacity Building Database (TCBDB) 2003 Data Collection, trade-related technical assistance and capacity building (TRTA/CB) was recently defined by the WTO as including activities that intend to enhance the ability of the recipient country to:

- formulate and implement a trade development strategy and create an enabling environment for increasing the volume and value-added of exports, diversifying export products and markets and increasing foreign investment to generate jobs and trade; or
- stimulate trade by domestic firms and encourage investment in trade-oriented industries; or
- participate in and benefit from the institutions, negotiations and processes that shape national trade policy and the rules and practices of international commerce.

In addition, the activity should fulfill the following criteria for eligibility:

- TRTA/CB is explicitly promoted in activity documentation; and
- The activity contains specific measures to develop trade policy and regulations, enhance the ability of enterprises to participate in international trade, or increase national capacity to participate in the multilateral trading system.

TRTA/CB activities in the WTO/OECD database are further classified under two main categories:

- Trade policy and regulations covers support to aid recipients’ effective participation in multilateral trade negotiations, analysis and implementation of multilateral trade agreements, trade policy mainstreaming and technical standards, trade facilitation including tariff structures and customs regimes, support to regional trade arrangements, and human resources development in trade.
- Trade development covers business development and activities aimed at improving the business climate, access to trade finance, and trade promotion in the productive sectors (agriculture, forestry, fishing, industry, mining, tourism), including at the institutional and enterprise level.

Source: Attachment to the Request for Information dated 26 March 2003 to providers of TRTA/CB by Messrs. S. Panitchpadki (Director General, WTO) and D.J. Johnston (Secretary General, OECD), related to the Joint WTO/OECD Trade Capacity Building Database (TCBDB) 2003 Data Collection, p. 9. For further detailed categories and sub-categories for classification purposes, see pp. 10-16.

**Bank Projects with TRTA/CB Components
(active as of 4th Quarter, 2003)**

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
AFR									
Southern Africa	Regional Trade Facilitation Project	110	305.7	2001	Specific Investment Loan	The project supports the establishment of a regional political insurance facility to be implemented and managed by a multilateral agency; the African Trade Insurance Agency (ATI).	The project will provide office equipment and consultancy services for the set up of the African Trade Insurance Agency (ATI), which will manage and implement the regional political insurance facility.	4.717	4.29%
Benin	Private Sector Development Project	30.4	55.5	2000	Specific Investment Loan	The project aims at improving Benin's business environment, local enterprises' competitiveness, access of small & medium enterprises (SMEs) and micro-enterprises to credit.	The project provides TA for ADEX; the newly created association of exporters. Workshops, studies and other TA will be provided to develop exports, establish and operate a matching fund scheme, create a trade information center and export promotion zone. A matching grant will fund and support the trade information services.	8.4	27.63%
Burkina Faso	Competitiveness and Enterprise Development credit (FY03)	30.7	34.3	2003	Technical Assistance Loan	The project will help in improving the competitiveness of the country's economy through privatization & utility reform, investment climate improvement, private sector institutional development and mitigation of constraints pertaining to small and medium enterprise development.	The scheme will partially provide funding to approximately 100 firms and associations and a group of firms for activities such as feasibility studies, technical consultancy, participation in trade fairs, design and implementation of export-marketing campaigns and visits of strategic buyers.	3.3	10.75%
Cape Verde	Growth and Competitiveness Project	11.5	13.5	2003	Specific Investment Loan	The objective is to broaden the base for private participation in Cape Verde's economic growth, enhance private sector competitiveness and further develop its financial sector.	The project will finance TA (training and information dissemination) in the legal and political aspects of international trade etc. CB for PROMEX and MFPRD's staff. PROMEX was created to support the ongoing reforms, encourage FDI as well as exports. Tech. capabilities of firms will receive support in manufacturing and services (both for local markets and exports).	1.65	14.35%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
Central African Republic	Policy Support Project	8	8.5	2000	Specific Investment Loan	Notwithstanding a fragile post-conflict context, the project will help the Gof CAR implement its reform program which was supported by the recently approved Fiscal Consolidation Credit (FCC), particularly, the privatization program. It will articulate its PRS, start rebuilding its statistical infrastructure, reinforce the management of the promising mining sector and further strengthen the technical committee in charge of the reform program.	The project will provide technical electricity and tariff studies, diagnostic study of mining (part of poverty reduction strategy) and TA in strengthening the Ministry of Mining (mining is an important aspect of export).	0.813	10.16%
Cote d' Ivoire	Private Sector Development Capacity Building Project	12	12	1998	Technical Assistance Loan	The project aims at helping Cote d'ivoire achieve a sustainable growth rate of 6% or more through export & investment promotion, simplification of investment procedures, SME support, public/private consultation and the strengthening of legal and judicial system.	The project will provide TA and training etc. in the two sub-components: Export promotion and the strengthening of legal and judicial system (implementation of regional business law reform under the OHADA Treaty).	3.64	30.33%
Gambia, The	Trade and Investment Gateway project (FY02)	16	18.13	2002	Adaptable Program Loan	The project will contribute to poverty alleviation through private sector-led growth in participating countries. It will improve access to funding for productive transactions and cross-border trade through the establishment of a regional political insurance facility to be implemented and managed by a multilateral agency; the African Trade Insurance Agency (ATI).	The project will provide TA and consultancy services for GIPFZA and GDA. It will provide capacity building for the multi-sector regulatory agency, training and capacity building on facilitation procedures designed specifically for Free Zone enterprises. This includes quality management and control processes, ISO certification concepts and information management pertaining to the US and European markets' access regulations for products originating from the ACP countries.	4.48	28.00%
Ghana	Trade and Investment Gateway Project	50.5	50.5	2001	Sector Investment and Maintenance Loan	The Trade and Investment Gateway Project (GHATIG) aims at attracting a critical mass of export-oriented investors to Ghana to accelerate export-led growth and facilitate trade. This entails feasibility studies of a railway route and trade facilitation.	It builds capacity by changing operational procedures, human resources, international standards, compliance in customs, excise taxes, preventive services, funding expertise, equipment, training and operational support to the free zones board. It will manage the Gateway program expertise, equipment, training and the operational support in trade-facilitation component.	15.2	30.10%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
Madagascar	Transport Sector Reform and Rehabilitation Project	65	66	2000	Adaptable Program Loan	The project will strengthen the liberalization of transport services and reactivate trade, which will include the promotion of public/private partnerships of primary transport facilities.	The project will finance a TA program, centered around the elaboration of a Facilitation Audit. This Audit will follow the methodology established under the Global Partnership on the Facilitation of Transport and Trade. This process will also help MOTM reassert its role as the lead player in the national trade and transport facilitation agenda.	0.1	0.15%
Niger	Agro-Pastoral Export Promotion Project	10.35	12.05	2000	Specific Investment Loan	The project will promote trade and information services, as well as institutional support to production and export organizations including providing legal advice, assistance to local organizations, financial and administrative management. In addition, a demand-driven matching grant facility will be made available to organizations receiving assistance or were formed under this project.	Staff will be trained to collect, analyze, and disseminate information & advice on agro-pastoral export (companies, market, procedures, finance etc). Any constraining procedures will be identified and recommendations will be formulated and expressed to policy-makers. Training needs will be identified in the export sector. It will also help initiate research on the regional regulatory framework, the problems of funds transfer and payment guarantees.	5.31	51.30%
Rwanda	Competitiveness and Enterprise Development Project	40.8	41.12	2001	Specific Investment Loan	This project will facilitate private businesses entry through supporting improvements to legal process/capacity which can be achieved by creating an investment promotion climate, supporting emerging businesses, and financial services.	The project will provide TA and training as well as information dissemination for investment promotion, trade facilitation, liberalization of tea (one of the two key export products) industry and will strengthen the organizational capacity of the Center for Small and Medium Enterprises. It will also fund the preparation (including TA) of a WTO offer on telecommunications services.	13.5	33.09%
Rwanda	Rural Sector Support Project	48	50.18	2001	Adaptable Program Loan	The project will cover a 14-year period, which will include three phases. Phase I will focus on building the institutional and technical capacities needed to support the generation and adoption of efficient cropping and post-harvest technologies. Hence, launch the intensification process.	The project will provide TA, training and advisory services to strengthen the capacity of farmer and exporters in an effort to promote commercial and export agriculture.	7.48	15.58%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
Sao Tome and Principe	Public Resource Management Technical Assistance Project	2.5	2.5	2001	Technical Assistance Loan	This TA Project aims at providing technical support, training, and equipment to implement policy measures that are currently proposed under a parallel project. The PRMTA will also implement sectoral, sub-sectoral and specific studies, namely, through the financing of a study fund for such and/or simulation models required for the preparation of the PRSP. It will develop an agenda for macroeconomic and sectoral policy reforms.	This TA Project will finance a Study Fund to carry out policy reform studies (trade liberalization, tax system, PERs and fiscal reform) which prompted the government to take actions to this effect and to improve revenue collection in addition to, the ongoing tariff reform.	0.83	33.20%
Senegal	Agricultural Export Promotion Project	8	8	1998	Specific Investment Loan	The objectives of the Agricultural Export Promotion Project are to diversify and develop private agricultural exports a core objective of Senegal ' s export-led growth strategy.	The project will provide direct in-house assistance in market research and product development. It will also finance ad hoc services such as research for international ISO, the establishment of national standards and norms, etc. It also provides consultancies in simplified accounting systems, management and legal advice as well as a central referral/data information service. Studies will be carried out on the preservation of perishable products in transit.	5.01	62.63%
Tanzania	Tax Administration Project	40	40	1999	Specific Investment Loan	The project strengthens tax administration. It will improve the legal system to enact laws and regulations in taxation, create a rationalization for deductions etc. granted by tax laws to further identify sources of revenue for tax base expansion. It will strengthen the Tanzania Revenue Authority (TRA) through a re-engineering process, computerization of three revenue departments, improvement of tax arrears recovery and the control of tax evasion etc.	The project will finance consultants/advisors to assist the following departments of Tax Administration: Customs Income Tax, Information Technology etc. ASYCUDA (customs data management system) will be provided by existing donor support. A five-year training program and a training plan for the first year of TAP is approved. (There are two parts here; customs and tax. The breakdown only deals with customs).	12.7	31.75%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
E/AP									
China	Container Transport Project (FY99)	71	159	1999	Specific Investment Loan	The project facilitates inland penetration of seaborne containers from gateway ports to inland cities. Inland Container Depot (ICD) development aims at developing container-handling capability at selected inland cities located along two pilot corridors. It will also upgrade Tianjin Port container handling capacity through financial assistance and TA to establish a better operational and institutional environment for container operations.	The project will provide TA for enhancing berth productivity in Tianjin port and for establishing "a level playing field" for the intra-port competition between two terminal operators. It will also provide TA for strengthening the managerial and operational capability of project ICDS. The project will fund TA for developing an Electronic Data Interchange (EDI) and MIS System for this ICD subcomponent.	1.528	2.15%
China	Sustainable Coastal Resource Development Project (FY98)	100	200	1998	Specific Investment Loan	The project aims at establishing institutional arrangements to promote coastal zone management (CZM). It also supports environmentally sustainable marine aquaculture in shallow waters and tidal flats. Another component finances a number of seafood handling operations including processing and wholesale markets to improve product quality and safety. Training will be carried out in hazard analysis.	This project offers training in HACCP concepts. This will enable the companies to meet higher standards of quality and safety demanded by China's main customers in North America and Europe. All facilities supported by the project will be required to apply standards that are based on HACCP system.	5.8	5.80%
Papua New Guinea	Gas Development and Utilization Technical Assistance Project	7	7.5	2000	Technical Assistance Loan	The project will strengthen the Government's capacity to efficiently manage the gas sector development in Papua New Guinea.	Petroleum Division staff are financed to conduct studies covering gas-based industrial development, power generation opportunities, gas transportation and export. The project will help promote investment opportunities for gas export and domestic utilization through seminars and public awareness campaigns.	6.56	93.71%
E/CA									
Albania	Trade and Transport Facilitation in Southeast Europe Project	8.1	12.3	2001	Specific Investment Loan	The project will strengthen and modernize customs administrations, border control agencies in Albania (and other countries in the region) seeking in this respect to reduce non-tariff costs to trade and transport, reduce smuggling and corruption at border crossings.	The project will provide support to ICIS--a customs information system.	0.95	11.73%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
Armenia	Foreign Investment and Export Facilitation Project	1	1.3	2002	Learning and Innovation Loan	By setting up the Armenian Development Agency (ADA), the project will help develop skills, operational systems, and procedures to facilitate private business needs.	The project aims at strengthening institutional capacity for investor/exporter servicing through targeting efforts to improve the quality of information, facilitate skills, and training. It will strengthen business development capacities focused on export production standards, marketing capabilities and financial systems through a substantial skills training program.	0.36	36.00%
Bosnia-Herzegovina	Small-scale Commercial Agriculture Development Project (FY03-09)	12	14.13	2003	Specific Investment Loan	The southeast area of this country has a potential for on-farm irrigation resources and continues to have traditional trade with neighboring countries. The project will promote productivity and agribusiness by supporting: a) market integration; b) private agribusiness support; c) commercial farmers development including export of agricultural products.	The project will assist farmer market information services. It will also finance innovative quality improvement programs and certification systems for potential export products. A Competitive Grant Program will support developing technology appropriate for identified market opportunities. The project will also include the provision of technical assistance to micro-credit products/agriculture loans.	1.355	11.29%
Bosnia-Herzegovina	Trade and Transport Facilitation in Southeast Europe Project	11	11	2001	Specific Investment Loan	The project aims at modernizing and strengthening customs administrations and border control agencies in a collaborative effort between the regional Governments, the European Union, the United States and the Bank. Its main objectives are to reduce non-tariff costs to trade and transport and to reduce smuggling and corruption at border crossings.	CB for Customs: Training for customs personnel to ensure the uniform application of new legislation (EU standard, for example) and other awareness training for improved border-crossing and training for trade facilitation.	1.5	13.64%
Bosnia-Herzegovina	Enterprise Export Facility Project	12	22.08	1999	Financial Intermediary Loan	The project aims at supporting sustainable economic growth by facilitating and expanding viable export activity including working capital loans to exporting enterprises, funds to give security to exporters as well as TA to strengthen the Investment Guarantee Agency (IGA) and exporters.	The project provides TA for the institutional strengthening of Investment Guarantee Agency (IGA) and exporters which makes the services of external consultants available to exporters, finances office equipment and vehicles for IGA as well as its operating costs.	1	8.33%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
Bulgaria	Trade and Transport Facilitation in Southeast Europe Project	7.4	12.5	2000	Specific Investment Loan	The project aims at reducing non-tariff costs to trade and transport, reducing smuggling and corruption at border crossings. It will include customs Administration, institutional reform, trade facilitation development, improvement of Bulgaria Integrated Customs Information System (BICIS), a regional experience-sharing program and improving border crossing facilities at six border posts.	The project will provide TA (as well as equipment & works) for the Strengthening of Customs Information System Improvement as well as TA in the improvement of Border Crossing Facilities (consultancy and supervision).	1.03	13.92%
Croatia	Trade and Transport Facilitation in Southeast Europe Project	13.93	22.08	2001	Specific Investment Loan	The Trade and Transport Facilitation in Southeast Europe Project for Croatia will focus on four main objectives as part of an export-oriented development strategy: a) reducing the size of the public sector and increasing efficiency; b) improving governance; c) creating conditions for competitive real sector improvements; d) containing poverty.	The Strengthening of the CDRC and its Information System will include: a) Training for customs personnel to ensure the uniform application of new legislation (up to EU standard); b) improve the fulfillment of CDRC's mission and enhance integrity; c) disseminate information and provide training to the private sector; d) provide conventional and distance learning training to participants in trade, logistics and international freight transport.	4.2	30.15%
Kyrgyz Republic	Technical Assistance Credit Project	5	5	2000	Technical Assistance Loan	The project aims at helping implement reform measures under the Consolidation Structural Adjustment Credit (CSAC), which will improve the business environment, help revenue mobilization, strengthen the state energy agency in its institutional and technical capacity. Thus, enabling it to prepare detailed market rules, which will govern the operation of unbundled electricity and gas sectors.	The project provides financing for an international customs advisor, supports the customs modernization and reform. It will design and assist with the implementation of import and export processing procedures based on self-assessment, minimizing face-to-face contacts, and selective physical inspections. It will also assist with the development of a long-term plan for full computerization of import and export declarations.	0.4	8.00%
Macedonia, former Yugoslav Republic of	Trade and Transport Facilitation in Southeast Europe Project	9.3	14.5	2001	Specific Investment Loan	The project will strengthen and modernize the customs administrations and other border control agencies with two development objectives: To reduce non-tariff costs to trade and transport and prevent smuggling and corruption at border crossings.	The project will provide personnel training, equipment and technology for ICIS (customs information system).	5.3	56.99%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
Romania	Trade and Transport Facilitation in Southeast Europe Project	17.1	27.2	2000	Specific Investment Loan	The project is a part of a regional program aiming at modernizing and strengthening the customs administrations and border control agencies in the area, reducing non-tariff costs on trade & transport and reducing smuggling and corruption at border crossings.	The project provides training, advisory services, seminar for customs administration, institutional reform, trade facilitation development as well as integrated customs information system software, equipment and personnel training.	7.8	45.61%
Russian Federation	Customs Development Project	140	187.2	2003	Specific Investment Loan	The project development objective will be to reform and modernize the Russian Customs administration: a) promote internationally acceptable practices for the Customs processing of international trade flows; b) increase taxpayer compliance with the Customs Code and ensure uniformity in its application.	The project will provide TA for enhancing SCC's information technology (State Customs Committee of the Russian Federation) in its customs control and clearance, its ability to provide information and analytical support to the government with respect to customs duties etc. and strengthening SCC by optimizing the management structure and providing training for Human Resources Management.	140.42	100.30%
Serbia and Montenegro	Serbia and Montenegro Export Finance Facilitation Project	11.5	31.5	2003	Financial Intermediary Loan	Through the creation of the Serbia and Montenegro Export Credit Agency (SMECA), the project will support import/export activities	The project will provide consultancy services and goods (including computer etc.) to support import/export activities	2.95	26.00%
Turkey	Export Finance Intermediation Loan Project	252.53	252.5	2000	Financial Intermediary Loan	The project aims at providing short and medium term working capital and investment finance to private exporting enterprises to assist the Turkish exporting sector which was hurt by the recent global financial crisis. It will also provide help to long-term sectoral development as the EFIL structure enables a strategic dialogue and close interaction with major banks and the Bankers Association in Turkey.	The project will provide institutional development and TA to Turk Eximbank. It will provide financing for the procurement of consultancy services, information technology equipment and related services and training for further institutional strengthening of Turk Eximbank in areas, which will be identified during appraisal and agreed upon between the World Bank and Turk Eximbank.	4	1.58%
Turkey	Industrial Technology Loan Project	155	387	1999	Specific Investment Loan	The objective of the Industrial Technology Project is to assist in the harmonization of the Turkish technology infrastructure with the European Customs Union (ECU) standards and assist firms in upgrading their technological capabilities in order to improve the competitiveness of Turkish industry domestically and internationally.	The project will provide training and other forms of TA in harmonizing Turkey's IPR (intellectual property rights) regime with WTO and ECU standards. It will provide TA in making metrology infrastructure to serve a larger section of the Turkish industry and gain acceptance from European bodies.	8.65	5.58%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
Yugoslavia, Fed. Rep. of (Serb./Mont.)	Trade and Transport Facilitation in Southeast Europe Project	6.8	38.9	2002	Specific Investment Loan	The project seeks two development objectives: To reduce non-tariff costs to trade and transport and reduce smuggling and corruption at border crossings.	The project will provide consultancy services and goods (including computer, software etc.) for the modernization of Customs and the Customs information system.	6.66	97.94%
LCR									
Bolivia	Regulatory Reform and Privatization Technical Assistance Project	20	32	1998	Technical Assistance Loan	The TA project will support government reform designed to strengthen the financial sector, enhance the legal and regulatory framework for infrastructure and business and promote improved provision of goods and services.	In order to develop the potential of the hydrocarbon sector as a major export earner, the project will pay for the international and local legal expertise required to develop new regulations to improve the regulatory framework for existing operations and allow for the privatization of YPF's remaining operations. It will fund consultants, equipment and training in the institutional strengthening of relevant departments.	1.5	7.50%
Colombia	Public Financial Management Project (02)	35.47	59.23	2001	Specific Investment Loan	The project will strengthen the capacity of the Directorate of National Taxes and Customs (DIAN) by: Fostering voluntary compliance through efficient, effective and equitable revenue collection; combating tax evasion and smuggling; strengthening public expenditure management at the central government level to facilitate the achievement of fiscal and national development objectives; improve cost effectiveness of public services and increase transparency & accountability.	The project will provide training in basic functions of tax, customs administration and advanced technical functions; design and implement a Virtual Training School that will allow DLAN staff at all locations to enhance their professional skills through conveniently paced self-learning method; Strengthen the ability of the DIAN through staff training in order to participate in international tax and customs negotiations.	4.36	12.29%
Ecuador	International Trade and Integration Project	21	42.6	1998	Specific Investment Loan	The project aims at promoting increased socio-economic growth by using as an instrument, international trade development and integration with the global economy; modernizing international trade management and increasing markets access by CP of the Ministry of Trade, Industry, and Fishing (MICIP) and by facilitating entrepreneurial learning and innovation in smaller firms through private-public partnership institutions.	The project will modernize international trade management and increase markets access by building the capacity of the Ministry of Trade, Industry, and Fishing (MICIP). It will also modernize customs administration, make regulations WTO (World Trade Organization)-consistent. Besides, facilitating entrepreneurial learning and innovation in smaller firms and providing training and education on WTO regulations.	20.6	98.10%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
El Salvador	Competitiveness Enhancement Technical Assistance Project	16	20	2002	Technical Assistance Loan	The project will facilitate change by improving the environment in three areas: a) the business environment and lowering the cost of doing business; b) the environment for technological capabilities of private sector enterprises and labor in order to raise productivity and international competitiveness; c) facilitating the flow of public information and public sector-private sector dialogue.	Project will finance a study of legal regulatory impediments to trade and commerce and provide TA to design and install an integrated system to facilitate international trade (Trade Point). It will also help design a strategy for modernizing the payment systems and the internationalization of banking system.	1.59	9.94%
Guatemala	Competitiveness And Financial Markets Technical Assistance Project (FY01 -05)	20.3	33.3	2001	Specific Investment Loan	The project aims at advancing the Guatemala National Competitiveness Program's objective as well as those of the nation's Peace Accords through helping primarily small and micro businesses in generating higher incomes and reducing the high rates of poverty in Guatemala.	It will provide advisory services, training programs, study tours, office facilities, equipment, materials and information dissemination for institutional support in order to increase domestic market competition, expand in-firm skills training and information markets, upgrade firm product and process quality and increase firm investments in learning and innovation.	7.05	34.73%
Nicaragua	Competitiveness Learning and Innovation Project (FY01-04)	5	5.85	2001	Learning and Innovation Loan	The project will test private-public partnerships for developing consensus and introducing reform on business issues. It will pilot information technology-based business development services (BDS).	The project will: a) provide TA, equipment and software to develop a pilot IT-supported business development center (BDC) which would provide cost-effective services in training, quality assurance and export facilitation etc.; b) sponsor training for trainers in MSB management for sectors such as small scale tourism etc.; c) provide TA to develop business associations; d) set up a grant system for micro and small businesses (MSBs).	4.92	98.40%
OECS Countries	Emergency Recovery and Disaster Management Program Project	19.57	7.4	1999	Emergency Recovery Loan	The project combines five emergency recovery programs which are all in the Organization of Eastern Caribbean States to help safeguard and maintain the productive capacity of the countries' tourism sectors, enhance security at key airport and seaport facilities in line with international standards and strengthen the countries' institutional capacity to develop and implement security plans, procedures etc.	As part of the effort to recover tourism, the project will support training in order to enhance the security at port and airport, Technical Assistance for Regulatory Review for Enhanced Security, engineering design and supervision for the civil works components (buildings, roadways, fences etc., and additional staff for the PCU.	2.197	11.23%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
Panama	Public Policy Reform Technical Assistance Project	10.5	13.4	2002	Technical Assistance Loan	The project aims at consolidating and deepening the reforms needed to accelerate growth and reduce poverty by strengthening the Government's economic monitoring, planning, policy formulation and execution capacity.	The project will provide CP to implement WTO agreements, TA and training for improving institutional capacity for trade negotiations and implementing competition and unfair trade laws.	3.5	33.33%
Peru	Peru Trade Facilitation and Export Competitiveness Technical Assistance Project	20	20	2003	Technical Assistance Loan	The project's development objectives are to assist the GOP to: a) put in place a more streamlined, integrated and effective institutional and policy framework to increase non-traditional exports; b) develop and implement initiatives designed to foster the entrance of new export market participants, especially, small and medium producers.	The project will disseminate information and training to the private sector and selected public sector institution, provide capacity building and training to improve Strategic Planning & Institutional Framework for Export Promotion, CB for Ministry of External Trade & Tourism, Institutional strengthening of the Ministry of Foreign Affairs and Adoption & Implementation of Effective Quality Practices.	20	100.00%
Uruguay	Foot and Mouth Disease Emergency Recovery Project (FY02)	18.5	24	2002	Emergency Recovery Loan	The project will provide technical and financial support to the GOU to help contain and mitigate the impact of FMD outbreak through vaccination of national herd and by strengthening monitoring and surveillance capacity in the country in order to prevent future outbreaks. It will help in identifying alternative markets for Uruguayan beef in the short-run and restore the country's presence in premium beef market in the long run.	The project aims at financing visits to key export markets to explain the current situation in the sector; invite delegations to form the main export markets to visit the country for an on-the-ground assessment of the measures adopted and their impact in terms of disease containment, workshops in the MERCOSUR countries, in addition to, the preparation and publication of relevant printed material.	0.35	1.89%
MNA									
Jordan	Horticultural Exports Promotion and Technology Transfer Project (Pipeline)	5	6.75	2002	Learning and Innovation Loan	The project will finance the creation of a specialized department in the Jordan Export Development and Commercial Centers Corporation (JEDCO) focusing, solely, on the promotion of horticultural exports. It will also finance adaptive technology development and transfer, CB for small and medium scale farmers and technology transfer specialists. The third component supports quality testing and certification of export produce.	The project aims at providing TA in horticultural export promotion (creating and strengthening JEDCO and MOA), strengthening technology support services and systems through capacity building, technology transfer, research funds and strengthening quality testing & monitoring unit.	5	100.00%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
Morocco	Sustainable Coastal Tourism Development Project	2.2	2.64	2000	Learning and Innovation Loan	In line with the strategic context of achieving growth through enhancing competitiveness and fostering a dynamic private sector, the project will evaluate the institutional framework and contractual procedures for managing public/private partnerships to develop integrated and sustainable coastal sites and underlining the importance of tourism as a viable mean of employment generation, foreign exchange, and tax revenue increases.	The project will provide TA to the Department of Development and Investment (DAI) of the Ministry of Tourism for the management and supervision of 3 new coastal tourism development sites and provide Technical Assistance to implement the new institutional framework for the development of tourism sites.	2.18	99.09%
Tunisia	Agricultural Support Services Project	21.33	42.45	2001	Specific Investment Loan	The project aims at developing, on a pilot basis, organizational structures for producers that represent their needs and interests and improve the institutional capacity and quality of agricultural services delivered by public and private institutions as well as producer organizations. Finally, improve the flow of information for all stakeholders.	To enhance export acceptability of agricultural products, this project will review and update pesticide legislation and regulations with the objective of aligning the relevant legislation with EU standards in order to remove impediments to the export of Tunisian products; develop monitoring and surveillance on internal trade and on imports and exports; provide training to agricultural staff and farmers on sustainable pest management.	5.56	26.07%
Tunisia	Export Development Project	35	50.6	1999	Specific Investment Loan	The project seeks to enhance the ability of Tunisian private exporters to integrate into the global economy. The project will foster export competitiveness of Tunisian firms by mitigating some of the disadvantages they encounter compared to their foreign competitors.	It will provide TA to eligible enterprises in the preparation/implementation of their export plan, a study to identify operational/organizational options for a trade service center, TA to reduce the number of procedures and the transaction costs involved in trading activity. A coordinating body is recently established to implement it. Information network and PEFG (Pre-shipment export finance guarantee) training etc. will be provided.	9.2	26.29%

Country	Project Name	Amount Approved (US\$ m)	Total Cost (US\$ m)	FY of Approval	Lending Instrument	General Objectives and Description	TCB Components	TCB (US\$ m)	TCB (% of loan)
SAR									
Bangladesh	Export Diversification Project	32	48	1999	Technical Assistance Loan	The project's main goal is to accelerate Bangladesh's integration into the world economy by expanding net export production value through product and market diversification including increased value added. The important subsidiary goals are to generally improve the business environment for industry and commerce.	It will provide advisory services to operate a matching grant facility and capacity building for trade management. This entails customs modernization, protection analysis (strengthen Bangladesh Tariff Commission) and trade cooperation (BTC and Ministry of Commerce). The latter includes TA in improving capacity in monitoring the WTO agreements in order to derive the full advantages of opportunities.	18.36	57.38%
Nepal	Multimodal Transit and Trade Facilitation Project	23.5	28.5	1998	Specific Investment Loan	The principal development objective of the project in Nepal is to reduce transport costs associated with Nepal's imports and exports. A second set of project objectives is to streamline trade and transit procedures and to improve the efficiency and organization of transit trade documentation and data exchange.	The project will provide consultants to supervise the construction and improvement of the three ICDs. TA and training to reduce transport and trade costs will simplify procedures, strengthen freight forwarding and customs clearing and update foreign-currency trade regulations. It will install the Automated Systems for Customs Data and Advanced Cargo Information System.	5.2	22.13%
Pakistan	Trade and Transport Facilitation Project	3	3.5	2001	Technical Assistance Loan	The project will establish a public/private sector collaborative institutional framework to develop the first phase of Pakistan's medium-term trade and transport facilitation program i.e. modernize trade practices and procedures based on the international best practices.	The project will provide TA to draft modern trade, transport facilitation procedures, documents, and legislation. It will provide human resources development through training of NTTFC Secretariat staff as well as to the public/private staff directly involved in project implementation.	2.88	96.00%

Pipeline of Bank Projects

Afghanistan	Customs Modernization and Trade, Transit and Transportation Facilitation Project
Africa Regional	"Trade Standards Facilitations Program (w/ DFID) - the Northern Corridor - the Central Corridor - the North-South corridor - the Djibouti-Ethiopia-Sudan corridor"
Africa Regional CEMAC	Trade and Transport Facilitation Project (FY05) (Douala-Ndjamenena and Doual-Bangui corridors)
Armenia	LIL for Armenia Development Agency (Extension of TA for export and investment facilitation)
Bangladesh	Export Development and Competitiveness Project (FY05)
Bolivia	Trade and competitiveness project
Brazil	*Trade Component of Competitiveness PSECAL/TAL
Brazil	Trade Component of Competitiveness PSECAL/TAL
Burkina Faso	*PRSC (with sectoral exports focus)
China	Fourth Inland Waterways Project (FY04)
Dominica	OECS Catastrophe Risk Management and Insurance Reform Project (FY04)
EAP Regional	Marine Electronic Highway Project (FY05)
ECOWAS/ UEMOA	UEMOA pilot for facilitation of cross-border transport
Ecuador	Trade and competitiveness project
Egypt	Mediterranean Capacity Building in Trade Facilitation and Electronic Business Project (UNECE Med)
Egypt	Agricultural Export Development (FY05)
Egypt	*Egypt Policy Based Structural Adjustment loan (with trade component) FY04
Ethiopia	PSD capacity building project (04 or 05)
Ethiopia	*PRSC on PSD Capacity Building
Georgia	Trade Facilitation Project (FY06)
Ghana	*Agricultural Sector Restructuring
Grenada	OECS Catastrophe Risk Management and Insurance Reform Project (FY04)
Honduras	*IDF for Capacity Building to Promote Participation in Trade of SMEs
Honduras	Competitiveness Project (FY04)
Indonesia	Tax and Customs Project (FY05)
Kenya	Preparation of an investment climate capacity building project (WBI/PREM)
Kenya	Transport Project (FY04)
Kenya	*PSD project (utility reform)
Madagascar	Customs components in Governance Project (FY04)
Maldives	Maldives Fisheries Sector TA (Pipeline)
Mali	Agricultural competitiveness and diversification project (FY04)
Mali	*SAC IV (cotton)
Mauritania	Mining and port rehabilitation
Moldova	Moldova Trade and Transport Facilitation in Southeastern Europe
Mongolia	Access and Logistics Project (FY04/05).
Nepal	Follow-up to DTIS
Pakistan	Follow up to Trade and Transport Facilitation Project (FY04)
Papua New Guinea	Highlands Highway (FY03)

Annex 3 (cont.)

Philippines	Diversified Farm Income and Market Development Project (FY05) (Project component on standards and logistics systems)
Philippines	Crop Diversification (FY05)
Senegal	Agricultural markets development (FY04)
Sierra Leone	ERRC in preparation with trade liberalization and trade facilitation component.
St. Kitts and Nevis	OECS Catastrophe Risk Management and Insurance Reform Project (FY04)
St. Lucia	OECS Catastrophe Risk Management and Insurance Reform Project (FY04)
St. Vincent and the Grenadines	OECS Catastrophe Risk Management and Insurance Reform Project (FY04)
Tunisia	Second Export Development (FY04)
Vietnam	Transport Project (FY05)
Vietnam	Mekong Sub-regional Trade Facilitation
Vietnam	Customs Modernization (FY05)
Vietnam	*Poverty Reduction Support Credit
Vietnam	Mekong Region Infrastructure Project (FY06)
Yemen	Port Cities Development Program APL2 (FY04)
Zambia	*Economic Expansion and Diversification Credit

Source: PRMTR from regional submissions

WBI Learning Events

FY03 WBI Trade Program Activities

	Title and Description	Venue & Timing
AFR		
1	AERC Research workshop	Kampala, Nov13-16
2	African Pre-Ministerial Meeting	Addis, April, Mauritius, June
3	Ghana: Trade, Poverty and the WTO	Accra, Nov 6-8
4	WTO and Trade: Anglophone Africa	Nairobi, July 15-Sept30
5	WTO and Trade: Francophone Africa	Casablanca, July8-Sept23
6	WTO/Africa course	Nairobi, April/June
7	PRSP Workshop for labor unions	Lusaka, Dec. 9-13
8	Trade and PRSP workshop	Dakar, March 27
EAP		
9	ASEAN regional integration	March-June
10	China: Corp. Governance/WTO	Beijing, Sept 2-6
11	China: WTO & Western Provinces	DL Oct 29-30
12	China: WTO + Western Provinces	DL from Beijing, Dec.
13	E Asia DL - Trade & Poverty	DL Jan-Feb
14	E Asia WTO Trade Seminar (Japan-KDI)	DL Apr
15	Vietnam: WTO accession	Hanoi and HCM City, June 3-7
16	Cambodia/Laos: WTO accession	Phnom Penh, May 1-3
17	Indonesia: Doha round negotiations	April/June
18	WITS dissemination	Jakarta, June 30
ECA		
19	CIS-7 trade seminar at PRSP forum	Almaty, December
20	JVI Fall Trade segment	Vienna Sept30-Oct11
21	JVI: Winter Course - Trade Segment	Vienna, February
SAR		
22	Agricultural Trade & WTO: South Asia	Bhutan, Nov25-29
23	S. Asia: Analysis of Agricultural Trade Liberalization	Colombo, April 21-25
LAC		
24	Afro-Latin Trade Law DL seminar	DL Dec. 9-13
MENA		
25	MENA: Trade in Services Seminar	Beirut, Dec16-20
GLOBAL		
26	WTO Trade Policy Course: Fall	Geneva, Oct-Nov
27	WTO Trade Policy Course: Winter	Geneva, February-March
28	WTO Trade Policy Course: Spring	Geneva, May-June

FY04 WBI Trade Program Activities (preliminary)

	Title and Description	Venue & Timing
AFR		
1	Mauritania - Applied Trade Policy Course	Mauritania, July 28-31, 2003
2	SATRN Research Workshop	Lesotho, July 3-4, 2003
3	Ghana: AERC National Workshops	Accra, August 25-26, 2003
4	AERC Senior Policy Makers WTO Workshop	August 28-29, 2003
5	Burkina - Trade Mainstreaming Workshop	Burkina Faso, Oct. 2003
6	Africa Agricultural Trade Workshop	Southern Africa, November '03
7	Ethiopia - Export Promotion and Diversification Workshop	March 29 - April 2, 2004
8	Ethiopia - WTO Accession Introductory Course	March, 2004
9	Africa WTO Trade Policy Course	Nairobi, April-June 2004
EAP		
10	ASEAN Economic Forum Capacity Building	July 2003 –June 2004
11	Indonesia Doha Agenda Capacity Building	Jakarta, July 2003–June 2004
12	South-East Asia Trade Mainstreaming Workshop	Phnom Penh, October 2003
13	Vietnam – WTO Accession Capacity Building	Vietnam, Nov. 17-21, 2003
14	Vietnam - WTO Accession Impact Research	Vietnam, July 2003–June 2004
15	China - GATS and Service Sector Policy Course	Beijing, Sept. 22-24, 2003
16	China - Agricultural and Fiscal Policies Policy Course	Beijing, Sept. 25-27, 2003
17	WTO and China's Western Regions Course	Beijing, April 21-23, 2004
18	China – Competition and Regulatory Issues Workshop	May 2004
19	Lao PDR - Trade Policy and WTO Accession Workshop	Vientiane, June 7-9, 2004
ECA		
20	Russia - WTO Accession Training of Trainers	Moscow, July 2003 – March 2004
21	Russia - Customs Reform Seminar	February 2004
22	Balkans - Trade Mainstreaming Workshop	Budapest, December 17, 2003
23	CIS-7 - Trade and Gender Mainstreaming Workshop	Tbd
24	JVI Applied Trade Policy I & II Courses	Vienna, October & February
SAR		
25	South Asia Agricultural Trade and Standards	Tbd, November
LAC		
26	Central America - Maximizing CAFTA Benefits Forum	Guatemala, Nov. 10-11, 2003
27	Central America - Services Trade Course	Honduras, Nov. 3-7, 2003
MENA		
28	Syria: Trade Policy and WTO Accession Course	July 1-3, 2003
29	MENA - Pre-Cancun Ministerial Meeting	July 22-25, 2003
30	Yemen: Trade Policy and WTO Accession Course	August 1- 6, 2003
31	MENA - Services Trade Course	Beirut, May 10-14, 2004
32	MENA - Trade Facilitation and Export Development Course	Cairo, April 12-16, 2004
GLOBAL		
33	WITS Dissemination Workshops	Geneva, July 10, 2004
34	Senior Trade Negotiators Workshop	Geneva, tbd
35	GDLN Multi-Country Seminar with LEGAF	December, 2003
36	WTO Geneva trade policy courses	Sept. 2003 – June 2004
37	Dubai Trade Roundtable	Dubai, September 22, 2003
38	Services Trade Core Course	Washington, DC., March 15-19, 2004

Selected World Bank Trade Publications and Outputs

Books

Bhattasali D., Shatong Li, and W. Martin, eds., *WTO Accession, Policy Reform and Poverty Reduction*. Oxford University Press and the World Bank, 2003.

Galal, Ahmed and Bernard Hoekman, eds., “*Arab Economic Integration: Between Hope and Reality*”, the Brookings Institution and the Egyptian Center for Economic Studies (ECES), 2003.

Hinkle, L., A. Herrou-Aragon, and K. Kubota, *How Far Did Africa’s First Generation Trade Reforms Go?*, 2003.

Ingco, M. and T. Kandiero, eds., *Liberalizing Trade in Agriculture: South Asia and the New WTO Development Agenda*, forthcoming 2003 in Directions in Development series, The World Bank, Washington, DC.

Ingco, M., J. Nash, and D. Njinkeu, eds., *Agriculture and the New Trade Agenda in the WTO: Issues and Options for Sub-Saharan Africa*, forthcoming (August 2003) as joint publication by AERC and the World Bank.

Ingco, M. and J. Nash, eds., *Agriculture and the WTO: Creating a Trading System for Development: A Handbook* forthcoming, Trade and Development Series, Oxford University Press.

Ingco, M. and N. Chaherli, eds. *Options and Strategies to Capture the Benefits of Global Trade Liberalization in Agriculture for the Middle East and North Africa*, forthcoming.

Ingco, M., A. McCalla, and J. Nash, eds., *Developing Countries, Agriculture and the WTO: A Sourcebook*, forthcoming.

Martin, Will and Mari Pangestu, eds., “*Options for Global Trade Reform: A View from the Asia-Pacific*”, Cambridge University Press, 2003.

Wilson, John S. and Victor Abiola, eds., “*Standards and Global Trade: A Voice for Africa*,” the World Bank, Washington, D.C., June 2003.

Winters, A. and M. Ingco, eds., *Agriculture and the New Trade Agenda*, Cambridge University Press, forthcoming 2003

World Bank, *East Asia Integrates: A Trade Policy for Shared Growth*, 2003.

World Bank, *Engaging with the World: Trade, Investment and Development in MENA*, 2003.

World Bank, *Lesson from NAFTA*, forthcoming.

World Bank, *Trade Policies in South Asia: An Overview*, forthcoming.

Published Articles

Maurice Schiff and Won Chang, “Market Presence, Contestability, and the Term-of-Trade Effects of Regional Integration”, *Journal of International Economics*, 60(1), May 2003.

Aaditya Mattoo, Philipp Harms and Ludger Schuknecht, “Explaining Liberalization Commitments in Financial Services Trade”, *Review of World Economics/ Weltwirtschaftliches Archiv*, Vol. 139, No. 1, 2003.

Aaditya Mattoo, “China’s Accession to the WTO: The Services Dimension”, *Journal of International Economic Law*, Vol. 6, Issue 2, July 2003.

Aaditya Mattoo, “Shaping Future Rules for Trade in Services: Lessons from the GATS”, Chapter 2 in Takatoshi Ito and Anne Krueger, *Trade in Services in the Asia Pacific Region*, NBER, University of Chicago Press, 2003.

Patrick Low and Aaditya Mattoo, “Approaches to Further Liberalization of Trade in Services”, Chapter 5 in Will Martin and Mari Pangestu (eds.), *Options for Global Trade Reform*, Cambridge University Press, 2003.

John S. Wilson and Tsunehiro Otsuki, “Food Safety and Trade: Winners and Losers in a Non-Harmonized World”, *Journal of Economic Integration*, 18(2), June 2003.

Recent Trade Working Papers (2003)

[U.S. Contingent Protection against Honey Import: Development Aspects and the Doha Round](#) Julio J. Nogués (#3088)

[Export Profiles of Small Landlocked Countries: A Case Study Focusing on their Implications for Lesotho](#) Francis Ng and Alexander Yeats (#3085)

[Major Trade Trends in East Asia: What are their Implications for Regional Cooperation and Growth?](#) Francis Ng and Alexander Yeats (#3084)

[Trade Liberalization, Firm Performance, and Labor Market Outcomes in the Developing World: What Can We Learn from Micro-Level Data?](#) Paolo Epifani (#3063)

[Reciprocity in Free Trade Agreements](#) Caroline Freund (#3061)

[Regional, Multilateral, and Unilateral Trade Policies of MERCOSUR for Growth and Poverty Reduction in Brazil](#) Glenn W. Harrison, Thomas F. Rutherford, David G. Tarr, Angelo Gurgel

(#3051)

[Information Diffusion in International Markets](#) Jacques Morisset, Alejandro Izquierdo, Marcelo Olarreaga (#3032)

[Imports, Entry, and Competition Law as Market Disciplines](#) Hiau Looi Kee, Bernard Hoekman (#3031)

[Who Benefits and How Much? How Gender Affects Welfare Impacts of a Booming Textile Industry](#) Alessandro Nicita, Susan Razzaz (#3029)

[Agriculture in the Doha Agenda](#) Patrick Messerlin, (#3009)

[Explaining Liberalization Commitments in Financial Services Trade](#) Philipp Harms, Aaditya Mattoo, Ludger Schuknecht (#2999)

[Trade Facilitation and Economic Development: Measuring the Impact](#) John S. Wilson, Catherine L. Mann, Tsunehiro Otsuki (#2988)

[Intellectual Property Rights, Licensing, and Innovation](#) Guifang Yang, Keith E. Maskus (#2973)

[The Perversity of Preferences: The Generalized System of Preferences and Developing Country Trade Policies, 1976-2000](#) Çağlar Özden and Eric Reinhardt (#2955)

[Never Too Late to Get Together Again: Turning the Czech and Slovak Customs Union into a Stepping Stone to EU Integration](#) Bartłomiej Kaminiski and Beata Smarzynska (#2954)

Trade Notes

(available at www.worldbank.org/trade)

Completed in FY03

World Bank Activities on Trade

From Singapore to Cancun: Investment

More Favorable Treatment of Developing Countries and the Doha Development Agenda

Rules of Origin in Free Trade Agreements

Implementing the Doha Mandate on TRIPS and Public Health

Focus Countries for Trade

AFR

Ethiopia

Ghana

Kenya

Madagascar

Senegal

Southern Africa Region (exact composition to be determined)

EAP

Cambodia

China

Laos

Vietnam

ECA

Armenia

Azerbaijan

Georgia

Kyrgyz Rep.

Moldova

Russia

Tajikistan

Uzbekistan

LCR

Brazil

Central America

MNA

Egypt

Morocco

Yemen

SAR

Bangladesh

India

Nepal

Pakistan

Sri Lanka

SIX CORE AGENCIES OF THE INTEGRATED FRAMEWORK ISSUE JOINT COMMUNIQUÉ

Washington, DC – The six core agencies of the Integrated Framework today issued a joint communiqué to reaffirm the organizations’ commitment to effective integration of least developed countries into the multilateral trading system and to articulate plans for building on the progress made under the Integrated Framework. The core agencies include the International Monetary Fund (IMF), the International Trade Center (ITC), the United Nations Conference for Trade and Development (UNCTAD), the United Nations Development Program (UNDP), the World Trade Organization (WTO) and the World Bank (WB).

The Integrated Framework was established at a high-level WTO Meeting in October 1997 to facilitate coordination of trade-related technical assistance and promote an integrated approach to assist the least developed countries enhance their trade opportunities. The World Bank is the lead agency on the “Diagnostic Trade Integration Studies,” which are designed to identify key constraints to the country's integration to the multilateral trading system and the global economy.

The joint communiqué was released at the conclusion of a meeting hosted by the IMF and attended by the heads and representatives of the core agencies. The full text of the communiqué follows:

JOINT COMMUNIQUÉ BY THE SIX CORE AGENCIES OF THE INTEGRATED FRAMEWORK—IMF, ITC, UNCTAD, UNDP, WORLD BANK, AND WTO

*The Heads and Representatives of the six core agencies of the
Integrated Framework—*

*Ms. Anne O. Krueger, First Deputy Managing Director of the IMF,
Mr. J. Denis Bélisle, Executive Director of ITC,
Mr. Rubens Ricupero, Secretary-General of UNCTAD,
Mr. Zéphirin Diabré, Associate Administrator of the UNDP,
Mr. James D. Wolfensohn, President of the World Bank, and
Deputy Director-General of the WTO, Dr. Kipkorir Aly Azad Rana—
met at the International Monetary Fund Headquarters in Washington D.C.
on July 10, 2003 and issued the communiqué which follows:*

We reaffirm our commitment to assist in the effective integration of least developed countries (LDCs) into the multilateral trading system and the global economy. We believe that trade is an important means to achieve economic growth and poverty reduction. Focused and well-coordinated trade-related capacity-building and technical assistance are central to realizing the development benefits of trade. This requires a major effort to assist LDCs to build their capacity to formulate

policy, to negotiate, and to tackle supply-side challenges in responding to new market access opportunities.

In this context, substantial progress has been made in the initial phase of the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries (the IF). Collaboration among our agencies, donors, and IF countries has strengthened. This has established a sound basis for raising the volume, relevance, and efficiency of trade related capacity-building for our LDC partners. The principles of the IF—strong country ownership and a commitment to integrate trade into national development plans, such as Poverty Reduction Strategies—are central to enhancing the role of trade in development and leveraging increased development assistance for trade.

The efforts and commitment of LDC participants in the IF must be matched by a pro-development outcome in multilateral trade negotiations. The Doha Declaration placed development and the needs and interests of developing countries at the heart of the negotiating agenda. It is expected that WTO Members will deliver on these commitments. The forthcoming 5th Ministerial Conference in Cancún will be an important benchmark of progress. In particular, increased efforts are needed to resolve issues of major concern to developing countries, including LDCs. Diagnostic studies under the IF have demonstrated the great potential that exists in many LDCs, if faced with a more supportive trade environment, for strengthening and diversifying agricultural and manufactured exports.

Progress on the IF

The IF is moving from a diagnostic stage to the implementation of action plans. Diagnostic trade integration studies (DTIS) have been completed or are near completion for the thirteen LDC countries that entered the initial phase of the IF. The diagnostic studies have provided a sound policy basis for the delivery of technical assistance and capacity-building on trade, and have contributed to greater coordination among trade, finance and other ministries. What started as an inter-agency process is now embedded in a clear set of trade priorities and activities at the country level. The LDC governments have taken an active role in managing this process. There are encouraging signs of progress in implementing projects based on diagnostic action plans.

Since the last Heads of Agency Meeting, donor and agencies' financial contributions to the Integrated Framework have continued to grow. We welcome the adoption of the Terms of Reference for a bridging mechanism to finance concrete, modest, and priority technical assistance projects under Window II of the IF Trust Fund. Eventually, trade-related assistance needs must be integrated into donor and multilateral development agency programs *at the country level* in order to ensure their sustainable funding.

On this basis we strongly reaffirm our commitment to the IF as a viable model for LDCs' trade development, as endorsed by WTO Ministers in Paragraph 43 of the Doha Declaration. We underscore that building capacity and institutions is a development process that takes time.

Moving Forward

To build on this progress, the challenge now is to implement what we have started. To maintain momentum we commit to the following:

- We will step up our efforts to help countries integrate their diagnostic studies into national development plans such as poverty reduction strategies. This requires embedding trade into existing national consultative processes with the development community, the private sector and civil society.
- We will further integrate the IF activities into the work of our respective agencies.
- We will continue to improve the IF process, on which we await the outcome of the IF evaluation. We will seek ways to make the IF process more flexible in the diagnostic phase and accelerate the implementation of DTIS action plans.
- We support the extension of the IF to further LDCs, following completion of the evaluation of the IF now underway. In the meantime, we will provide assistance to help LDCs prepare the ground for their participation in the IF through pre-DTIS activities.
- We will continue our efforts to increase synergies and complementarity between the Integrated Framework, the Joint Integrated Technical Assistance Program for Africa (JITAP) and other trade-related technical assistance programs, both at the country level and between institutions.

More broadly, and in the context of the Doha Development Agenda, we stand ready to help developing countries and LDCs engage in the multilateral trading system. Removing supply-side constraints to trade is important in generating a response to market access opportunities. We will step up assistance on trade-related infrastructure, private sector development and institution-building to help countries to expand their export base. Within our respective competencies, we will assist LDCs in meeting social, fiscal, balance of payments, and other adjustment needs that might arise from trade liberalization.

We express our appreciation to the International Monetary Fund for hosting the meeting and providing hospitality.

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Gianni Zanini
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