



# TOWARDS A WORLD BANK GROUP TRADE STRATEGY

Phnom Penh, June 17, 2010

# Overview

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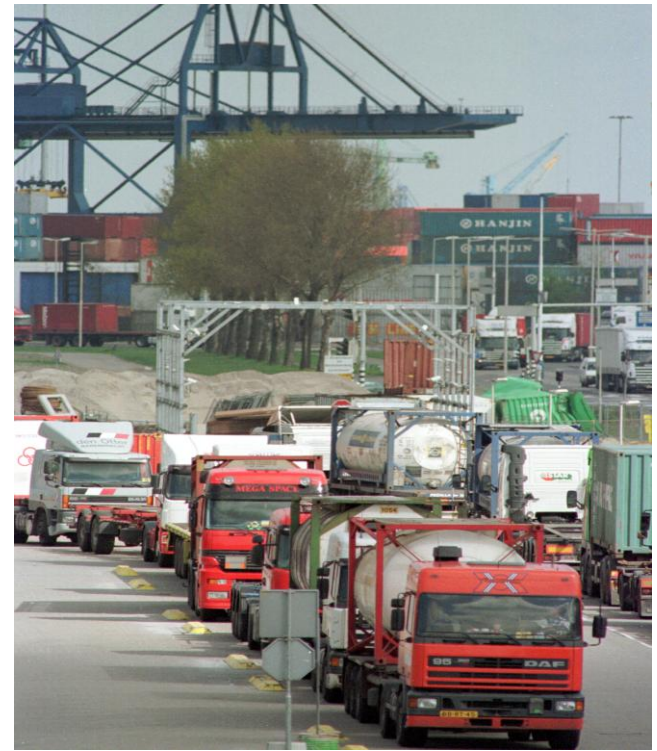
- Context
- World Bank Group and Trade
- Lessons Learned
- Proposed Approach
- Towards a Strategy
- Your Views



# Context: International Trade

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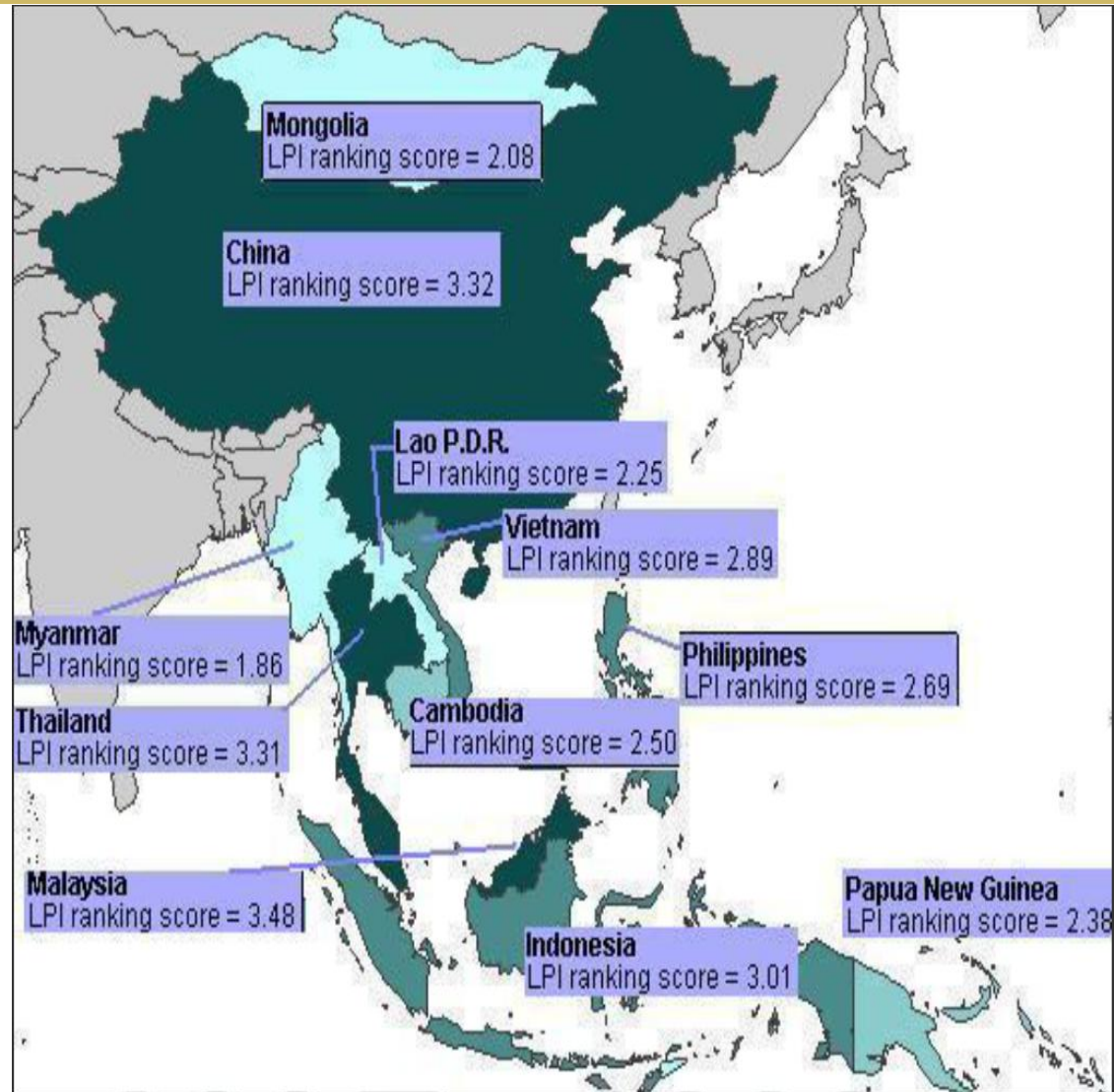
- ❑ World Trade has grown twice as fast as global domestic product
- ❑ Trade: many interconnected strands
- ❑ Connecting people to international markets and building capacity can boost economic opportunities for all



# Context: Thick Borders

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- High trade costs create “thick” borders.
- These are a key barrier to regional and global integration.



# Context: Complex Policy Agenda

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- Many constraints to international trade and competitiveness lie “behind the border”
  - ▣ high-cost services inputs
  - ▣ supply-chain bottlenecks
- International agreements increasingly cover domestic regulations, not just market access.
- Trade policy reform remains a priority in some countries, however.

# Context: Economic Crisis

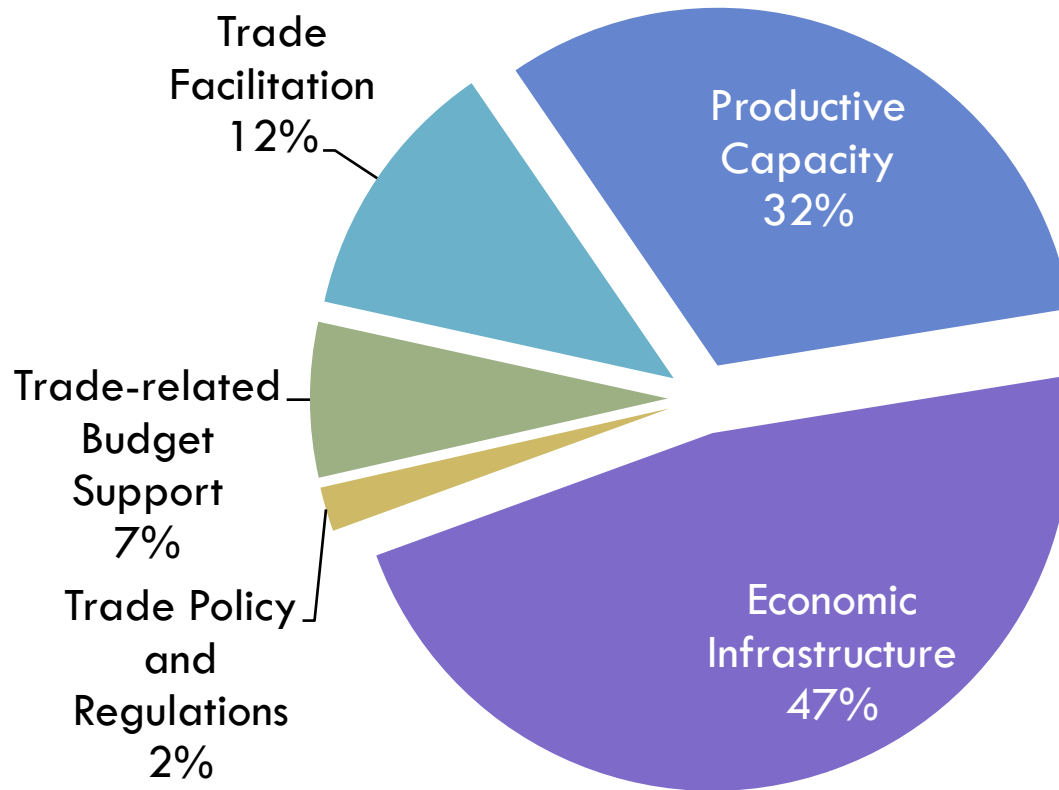
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- The crisis has disrupted trade and highlighted the need for countries to:
  - ▣ diversify markets, products and services;
  - ▣ cooperate with each other on trade; and
  - ▣ strengthen social safety nets.



# World Bank Group Trade Portfolio

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# World Bank Group and Trade

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## MULTIDIMENSIONAL AND CROSS-CUTTING

Technical Assistance and Capacity Building	36 projects per year WBI's new South-South knowledge transfer programs
Policy Analysis and Advice	70+ policy notes, country and regional studies per year
Financing, Loans and Credits	\$ 7.5bn concessional in 2007-2008, focusing on export competitiveness and trade facilitation IFC investments and trade finance facilities
Global Programs and Partnerships	Analysis to support developing countries' interests in global trade agreements Participation in the Aid for Trade initiative
Data, Indicators and Research	Logistics Performance Index, World Trade Indicators, Agricultural Distortions Database 50+ working papers, books and reports per year

# World Bank Group and Trade

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- Country Level
  - ▣ Two-thirds of all Country Strategies include trade as a focus area
- Global Level
  - ▣ Research supports developing countries' interests in trade agreements
- Regional Level
  - ▣ Investments in regional infrastructure—both “hard” and “soft”
- Private Sector
  - ▣ Around half of total Bank Group aid for trade supports the private sector directly (IFC)

# Lessons

- Trade can be a powerful tool to support economic growth and poverty reduction
  - The world market provides economic opportunities for households, firms and farms
  - Bolstering capacity to harness these opportunities is key
  - Complementary policies are needed to bring benefits
  - Openness promotes growth through scale economies, and transfers of people and ideas

# Proposed Approach: Focus

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## TRADE COMPETITIVENESS

- In Country
  - Trade policy reform
  - Reduce costs
  - Improve value chain
- Export Markets
  - Access/entry constraints
  - Analysis



## TRADE FACILITATION & LOGISTICS

- Customs and border management
- Logistics services
- Transit corridors
- Trade transport Infrastructure



## TRADE FINANCE

- IFC trade finance facilities
- Export credit agencies
- Trade insurance
- Working capital for SME exporters



## TRADE COOPERATION

- Regional Integration
- WTO-Doha Round
- Research, capacity building and advocacy
- Aid for Trade initiative
- Collective actions to use trade for development



## TRADE DATA AND SYSTEMS

- Data as a global public good
- Monitoring and evaluation
- National statistical capacity building

# Proposed Approach: Partnerships

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- International Organizations
  - WTO, UNCTAD, ITC, WCO, OECD, Regional Development Banks
- Development Partners
  - Donors, global partnerships
- Private Sector and CSOs

# Proposed Approach: Our Strengths

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- Make best use of the strengths of the World Bank Group
  - Country presence
  - Multi-sectoral expertise
  - Global public goods and research capacity
  - Cross-country transfer of knowledge

# Proposed Approach: Results Focused

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- Monitoring and evaluation on WBG activities
  - Operational Monitoring
    - Tracking of outcomes
    - Core sector indicators for trade projects
  - Impact Evaluations
  - Global Indicators
    - Benchmarking indicators to assess success of policy reforms and aid for trade
- Implications for data collection

# Timeline

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Consultations to get input into the strategy

- Online
- Face-to-face

Public comment on the draft strategy

# We want your input!

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1. Are we focusing on the right issues?
2. Do we offer the right mix of activities?
3. Is the World Bank Group playing the right role relative to other providers of aid for trade?



Visit the world bank's website  
to share your views, stay updated,  
and get more information.

<http://www.worldbank.org/tradestrategy>

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Thank you for participating