

ESCAP-ARTNeT-WTO WORKSHOP ON MEASURING EFFECTIVENESS OF AID FOR TRADE--SUMMARY

25 August 2011

Meeting Room, TID, Block –B, 4th Floor, United Nations ESCAP, Bangkok

Participants

1. Mr. Ravi Ratnayake, ESCAP
2. Mr. Shishir Priyadarshi, WTO
3. Ms. Shamika Sirimane, ESCAP
4. Mr. Florian Albuero, CATIF, The Philippines
5. Mr. Edgar Dante, ESCAP
6. Mr. Prabir De, RIS India
7. Mr. Yann Duval, ESCAP
8. Mr. Hasanuzzaman, CPD Bangladesh
9. Ms. Mia Mikic, ESCAP
10. Mr. Khan Salehin, ESCAP

Issue

During the Third Global Review for Aid for Trade (AfT) and in the aftermath, several key areas have emerged as needing more understanding and in-depth analysis in order to make a stronger case for AfT: (A) assessing/quantifying the impact of AfT; (B) lessons from south-south cooperation in AfT; and (C) how AfT can generate sustained flows of investment, shifting towards “Investment for Trade”.

ESCAP and WTO in partnership with ARTNeT may study some of these issues that are of importance to Asia and the Pacific in order to influence/reshape the agenda/discussions at the Fourth Global Review in 2013.

A) Impact of Aid for Trade

Participants agreed that assessing/quantifying the impact of AfT is crucial to sustain donor support in the current difficult global economic environment. As a first step, the group agreed that the ESCAP/WTO/ARTNeT collaboration can be mobilized to study the impact of AfT in Asia and the Pacific. Since a systematic effort to study on the ground impacts of AfT has not been attempted so far, this work will be path breaking. And it would present a common framework to assess AfT that others including countries, regions and donors can then replicate.

In this regard, the participants agreed that the impact analysis has to be done at 2 levels: (i) aggregate level analysis by applying quantitative techniques (such as gravity modeling, assessing AfT impact on trade cost) on existing data (primarily the DAC/OECD database); and (ii) country level analysis to capture more detailed and qualitative aspects of AfT effectiveness, based on a project-level assessments.

It was agreed that for the country level analysis a Common Framework for impact assessment needs to be developed. The Common Framework can be applied for 6-8 pilot countries depending on the funding availability. Potential pilot countries could include Bangladesh, Cambodia, Fiji, India, Mongolia, Nepal. Pilot studies are to be undertaken

by ARTNeT researchers whenever possible (Mongolia is the case where there are no ARTNeT researchers)

B) The Way Forward:

The following activities were identified to be completed by the 4th Global Review in mid 2013 :

<i>Activities</i>	<i>Lead Agency</i>	<i>Timeline</i>
1. Development of a Concept Note/Project Note	ESCAP	Mid-September 2011
2. Carry out a Literature Survey on existing Methodologies/Frameworks for Impact Assessment	ESCAP (Regional Perspective) and WTO (Rest of the World Perspective)	November 2011
3. Identification of Donors	WTO	Nov-Dec 2011
4. Expert Group Meeting on Common Framework on Impact Assessment	ESCAP/WTO/ARTNET	February 2012
5. Pilot Impact Assessment Studies based on the Agreed Framework (6-8 A-P countries)	ARTNET/Consultants	Feb-Oct 2012
6. Review/Synthesis of Pilot Country Studies	ESCAP-ARTNET/WTO	Nov-Dec 2012
7. Publication on <i>Assessing Impact of Aid for Trade in Asia and the Pacific (In addition, country studies can be published)</i>	ESCAP-WTO	Aug 2012 to April 2013. To be launched at the 4 th Global Review in mid-2013

C) South-South Cooperation

South-south cooperation in AfT is growing in importance but very little work has been done so far on trends and lessons. Participants acknowledged the importance of learning from South-South cooperation, and agreed to explore more on this issue in the coming months:

- On impact assessment, the possibility of integrating south-south cooperation elements in pilot studies is to be explored.
- RIS/India to explore the opportunity to organize a brain storming on ODA outflows by bringing together stakeholders.
- Identify Chinese counterparts to carry out similar lessons learned exercises.
- Organizing a south-south cooperation symposium, once enough analysis/material is gathered.

D) Investment for Trade

Participants recognized that there is a move towards “Investment for Trade” to see how AfT could galvanize more financing for trade related activities. The ability for AfT to crowd-in investment is indeed a success criterion and this aspect is to be examined in pilot studies, at least through case stories where possible. It was also noted that the shift towards investments would also improve the productive capacities and generate additional employment.
