

ESCAP

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. *Do you have an aid-for-trade strategy and what are the key elements in this strategy?*

To assist ESCAP developing members to more effectively negotiate, conclude and implement multilateral, regional and bilateral trade agreements (including accession to WTO) and benefit from such agreements. A key component of this work is the WTO/ESCAP Technical Assistance Programme (market access focus; trade policy and regulations), which was started in 1999 and has continue to expand and accelerates, in accordance to the needs of members and associate members of ESCAP.

To assist ESCAP developing members in utilizing increased market access through the development of their capacity to trade with focus on improving business and investment climates, and assistance to small and medium sized enterprises and trade facilitation.(supply-side capacity building focus; building productive capacity, effective participation in global and regional value chains).

Funding for these two programmes is provided by the regular budget, and increasing by extra-budgetary resources. While national level assistance is provided, the focus is the regional level. Good examples of regional cooperation in trade are the Asia Research and Training Network on Trade (ARTNeT), organization of regional multi-stakeholder dialogues on WTO and multilateral trade issues, deepening and strengthening the Asia-Pacific Trade Agreement (APTA) and fostering regional dialogues with traders and investors through the Asia-Pacific Business Forum (APBF).

2. *How has this strategy evolved since the December 2005 WTO Ministerial Conference?*

The strategy has been more or less the same since the December 2005 WTO Ministerial Conference though funding modalities have changed somewhat. Some additional funding has emerged, for example, under the Macao Knowledge Hub programme, Macao (China) and the United Nations development account for trade facilitation activities, while more work has focused on the development of the Asia-Pacific Trade and Investment Database (APTIAD) and the development of performance indicators for BTA/RTAs and common frameworks which could help achieve a consolidation of BTA/RTAs in the region. Overall, the region's trading environment has become increasingly complex and unpredictable due to a rapid shift towards bilateralism. The needs of our members for advice, information and technical assistance have increased exponentially, but a lack of adequate funding, has left many of these needs unmet.

3. *How does this strategy address regional aid-for-trade challenges?*

A further challenge is the need for landlocked and least developed countries to more effectively integrate into the regional and global economy so as to benefit from globalization and regional dynamism. In this regard, as most of the world's countries not yet a member of WTO are located in the ESCAP region, considerable efforts are made towards helping these countries become a member

of WTO and, after accession, to implement their WTO commitments. Focus of this kind of assistance is on the LDCs and landlocked countries, in particular landlocked LDCs and those in Central Asia under the Special Programme for the Economies of Central Asia (SPECAs).

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

ESCAP does not apply an exact definition of aid-for-trade although concerted efforts are currently being made among concerned UN agencies towards defining the concept in preparation of UNCTAD XII. However, the two principal focus areas outlined under point 1 above go a long way in determining what is meant by AfT in the ESCAP context.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Aid-for-Trade in ESCAP as described under point 1 above is provided by the Trade and Investment Division. Its regular budget and extra-budgetary resources mobilized for specific projects constitute the total funds available for AfT for any biennium. Specific outputs under trade and investment are specified in the Two-year Work Plan of the secretariat under subprogramme 4: trade and investment. Sometimes cross-cutting projects are implemented which constitute a trade share. Over the past biennium, two projects stand out in the areas of trade and transport facilitation, and trade and environment.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?²

SECTION:	XB						RB			
	2002	2003	2004	2005	2006	2007	2002-2003	2004-2005	2006-2007	2008-2009
Trade policy and regulations	791,802	210,069	269,002	584,836	731,918	526,547				
Supply side (trade facilitation, investment and enterprise development)	1,569,384	155,985	97,303	233,244	198,127	1,500,000				
TOTAL	2,361,186	366,054	366,305	818,080	930,045	2,026,547	204,700	153,300	188,500	162,600

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

As ESCAP is not a funding agency, it does not make pledges. However, budget indications are provided in the two-year Work Programme. See table under point 6 above.

8. **What is your medium-term (beyond 3 years) financial plan for aid-for-trade?**

Medium-term financial plan for AfT: Work Programme 2008-2009: Subprogramme on trade and investment: US\$162,600 under RB. No XB figures are available. No RB breakdown by purpose is available.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. **How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?**

The ESCAP Trade and Investment subprogramme is an integral part of the programme on managing globalization. Coordination of trade and investment with other components of the programme (i.e. environment, ICT and transport) takes place at both the planning and implementation stage, in particular within the context of identifying and providing advice on cross-cutting issues that are considered by members and associate members of ESCAP during the annual sessions of the Committee on Managing Globalization.

10. **Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?**

In-house AfT expertise is continuously growing. ESCAP staff often participate in the formulation and implementation of substantive activities, provide advisory services and prepare studies and papers on substantive issues. These issues evolve with the evolving scenario of the multilateral and regional trade agenda. Since 2006, more attention has been paid to the development of TRIPS-related expertise.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. **What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?**

As ESCAP is a regional agency, it does not formulate national level country assistance plans though sometimes it implements national level activities which can be part of the UNDAF. Most country-specific work focuses on accession to WTO and the work of the regional trade and investment policy adviser who provides advisory services at the request of individual developing countries on specific topics. Ownership by member countries is, to a large extent, exercised through the intergovernmental fora of ESCAP. The Commission which meets annually is the highest decision making authority while subsidiary committees, notably the Committee on Managing Globalization undertakes a thorough review of the RB work programme and supporting XB projects.

12. **How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?**

The promotion of policy dialogues at national and regional level on AfT has not been actively undertaken by ESCAP. However, it is expected that upon finalization of the UN consolidated and coordinated AfT concept paper, ESCAP would be in a prime position to organize such dialogues at the

regional level within the scope of its regular multi-stakeholder policy dialogues. As such, ESCAP could also assume the role of regional coordinator of UN AfT activities.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

ESCAP TRTA activities respond to its member countries' requests for assistance but are not directly based on the latter's' policy planning and budgeting framework. In other words, in defining the ESCAP Subprogramme on trade and investment no reference is made to national level planning and budgeting frameworks, in particular as the latter frameworks are national while ESCAP is a regional level agency.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Coordination of AfT is considered very seriously and ESCAP routinely takes action in this regard. Principal agencies with which coordination is pursued include UNCTAD, ITC and WTO, and, at the regional level, ADB. However, due to different financial rules and regulations or reporting and programming requirements, coordination is sometimes very difficult. At the national level, coordination with UNDP, usually within the context of the UNDAF, is pursued though usually trade and investment do not figure prominently in UNDP national level assistance.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

The RB amount of AfT for 2008-2009 will decrease by 13.7 % from 2006-2007. However, most of the AfT comes from XB funds which are not yet known for 2008-2009.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

The ESCAP AfT strategy and programme consists of individual projects. Each project has its own time frame. At the programme level, a time frame of a biennium is employed. The objectives of the programme are embodied in the programme's expected accomplishments Success is measured half-yearly as part of a monitoring exercise while a full evaluation takes place upon the termination of the biennium period through the preparation of an accomplishment account. Indicators of achievement are developed for each expected accomplishment and those indicators will be measured when evaluation takes place.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Upon completion of individual project activities, evaluation questionnaires are routinely distributed among participants. The questionnaires also seek to assess sustainability issues by asking respondents to what extent they will use the learned material in their future work. At the project level, the logical framework provides indicators of achievement for every level in the framework from outputs to project goal. At the programme level, the accomplishment accounts will measure the indicators of achievement for the expected accomplishments against a benchmark.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Currently, no joint monitoring and evaluation of AfT projects and programmes with other donors and stakeholders or countries takes place unless the project is a multi-agency affair.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Since currently each agency implements its own AfT/TRTA strategy, no routine review of progress with partner countries, other regional organizations and other donors and stakeholders takes place unless such organizations are partner agencies in the implementation of individual projects and where for larger projects, an independent evaluation is carried out requesting feedback from participating countries and participants in individual project activities.