

Introduction: Aid for Trade and Development

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1 Introduction

Under the right circumstances, trade liberalization can be an engine of growth. But if the benefits from reductions in tariffs and trade barriers are to be gained, at least two conditions must be met. First, favorable market access regimes need to be in place. Second, for low-income countries that face severe challenges such as lack of human, institutional, and production capacity, their integration into the global economy must be supported by development assistance targeted to enhance growth and trade. Such assistance must improve their competitiveness, their ability to meet standards in high-value export markets, and their institutional capacity to engage in trade negotiations and implement the outcomes. It must also take into account the potential negative effects stemming from trade liberalization.

Negotiations in the World Trade Organization's (WTO) Doha Round and in other fora¹ hold out the prospect of further market access for goods, services, and investment. But these negotiations also hold significant pitfalls. Many developing countries – particularly those reliant on only a few imports and exports – are vulnerable to trade-related policy shocks, price changes, and other adjustment costs. Reductions in their tariffs can have a significant adverse effect on scarce government revenues, further hampering their already weak ability to re-deploy labor from sectors negatively affected by liberalization. Across-the-board tariff cuts could hurt many countries reliant on preferential access to Europe and other developed economies. In addition, net food-importing developing countries could face higher food costs as reductions in agricultural tariffs and subsidies in developed countries lead to higher prices for previously subsidized goods.² At the same time, the policy options available to developing countries for shielding industries from strong global competition have shrunk under structural adjustment programs and successive rounds under the General Agreement on Tariffs and Trade (GATT) and WTO.

While support has been given previously to assist low-income countries to integrate into the multilateral trading system, it has been offered in a piecemeal fashion, and has tended to focus on improving trade policy capabilities rather than on

¹ Other important trade negotiating initiatives include the Economic Partnership Agreements (EPAs) between the European Union and regions in Africa, the Caribbean, and the Pacific (ACP); the U.S.-African Growth and Opportunity Act (AGOA), and regional trade integration processes.

² For further discussion of these adjustment costs, see Stiglitz and Charlton (2006), pp. 12–17.

building productive supply-side capacities. Because the underlying capacity problems have not been adequately addressed, the challenges faced by low-income countries in integrating into global production and trade persist.

Bringing low-income countries on board the global economy in a way that supports their long-term development requires a mix of policy reforms and investments across a broad range of areas – including infrastructure, training, the private sector, and institutional development. Programs targeting these types of interventions have become known as “Aid for Trade” – a concept that has recently received increasing global attention.

While various interpretations exist, Aid for Trade can be defined broadly as “any assistance intended to help countries to trade and, in particular, to help them take advantage of trade agreements” (Phillips et al., 2005). This involves strengthening trade capacity and reducing supply-side constraints such that low-income countries are able to contest markets. The chapters in this volume tell the story of how Aid for Trade has emerged as a key element of the development and trade negotiating agenda, and how it could best be structured and implemented to meet the needs of its beneficiaries. This introduction presents the main themes touched upon in the book. After reviewing some preliminary background, it traces the evolution of Aid for Trade and describes how the various chapters, taken together, present a clear picture of what Aid for Trade is and where it could be headed.

1.1 Hong Kong mandate and the Aid for Trade Task Force

Elements of Aid for Trade have existed for many years in bilateral and multilateral development assistance programs. The issue came to be recognized with the launch of the WTO’s Doha Round – or Doha Development Agenda (DDA) – in 2001, which saw renewed focus on developing country concerns in the international trading system, including on trade-related technical assistance. At the WTO’s Sixth Ministerial Conference in Hong Kong in December 2005, trade ministers acknowledged the wider supply-side role that Aid for Trade could play beyond technical assistance (see Box 0.1). Amid announcements of increased funding for trade capacity building from a number of developed countries (see Box 0.2), ministers invited the WTO Director-General to create a task force to provide recommendations on how to operationalize Aid for Trade.

The WTO Aid for Trade Task Force was created in early 2006, and delivered its report a few months later in July following extensive consultations (WTO, 2006). Taking as a guide the Paris Declaration on Aid Effectiveness³ and the Hong Kong mandate from ministers concerning mechanisms to secure additional financial resources, the report emphasized that Aid for Trade financing be “additional, predictable, sustainable and effective.” In all, the report outlined thirty-two recommendations for implementation by the WTO, donors, and beneficiaries to fulfill trade-related needs and monitor the progress of Aid for Trade activities. These included proposals for strengthening needs identification at the country level, strengthening

³ The Paris Declaration, agreed by both donor and beneficiary countries in 2005, includes principles to guide aid delivery, including country ownership, mutual accountability, aligning aid to national development strategies, effective donor coordination, harmonization of donor procedures, transparency, and predictable and multi-year commitments.

Box 0.1. WTO Hong Kong ministerial mandate on Aid for Trade

“We welcome the discussions of Finance and Development Ministers in various fora, including the Development Committee of the World Bank and IMF, that have taken place this year on expanding Aid for Trade. Aid for Trade should aim to help developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade. Aid for Trade cannot be a substitute for the development benefits that will result from a successful conclusion to the Doha Development Agenda (DDA), particularly on market access. However, it can be a valuable complement to the DDA. We invite the Director-General to create a task force that shall provide recommendations on how to operationalize Aid for Trade. The Task Force will provide recommendations to the General Council by July 2006 on how Aid for Trade might contribute most effectively to the development dimension of the DDA. We also invite the Director-General to consult with Members as well as with the IMF and World Bank, relevant international organisations and the regional development banks with a view to reporting to the General Council on appropriate mechanisms to secure additional financial resources for Aid for Trade, where appropriate through grants and concessional loans.”

Source: WTO (2005), para. 57.

Box 0.2. Increased support for Aid for Trade

At the United Nations Millennium Summit in New York in September 2000, world leaders pledged to increase development aid for the realization of the Millennium Development Goals (MDGs), which have as their main target the reduction of poverty by half by 2015. Goal 8 of the MDGs has as one of its targets the development of an “open, rules based, predictable, non-discriminatory trading and financial system.” At the International Conference on Financing for Development in 2002 in Monterrey, Mexico, world leaders agreed to increase development assistance in line with objectives set by the MDGs. More recently, the World Bank announced plans to increase infrastructure lending by US\$1 billion per year to around US\$10 billion by 2008. In February 2005, G7 finance ministers called on the World Bank and the IMF to develop proposals for additional assistance to countries to ease adjustment to trade liberalization and to increase their capacity to take advantage of more open markets. Subsequently, at the G8 summit of developed countries in Gleneagles in 2005, leaders agreed “to boost growth, attract new investment and contribute to Africa’s capacity to trade.”

Prior to and at Hong Kong, Japan, the EU and the U.S. all announced increases in resources for Aid for Trade. Japan announced US\$10 billion over three years (though it later transpired that this is to be primarily in the form of loans). The European Union said it would increase its annual spending on Aid for Trade to EUR2 billion by 2010 – half from the Commission and half from member states, up from EUR400 million in 2005. The U.S. announced a doubling of annual Aid for Trade to US\$2.7 billion by 2010, up from \$US1.3 billion in 2005.

donor responses, and enhancing the beneficiary-donor link. The report also advocated improving monitoring and evaluation, and specifically proposed establishing a body in the WTO that would undertake periodic reviews of Aid for Trade, based on reports from relevant stakeholders, with a view to ensuring additionality and predictability of funding. To follow up its work, the Task Force proposed that the WTO Director-General set up a group to examine how to implement, monitor, and review Aid for Trade efforts and act on the report's recommendations.

The recommendations stopped short of specifying how Aid for Trade should be put into practice at the operational level, leaving this for later elaboration. As such, the report's recommendations should be seen not as an end-point, but as a launchpad for further reflection on how Aid for Trade can be structured such that it enables low-income countries to extract net benefits from their participation in the international trading system.

The Hong Kong mandate on Aid for Trade and the creation of the Task Force did not take place in an analytical vacuum. Responding to repeatedly-expressed concerns by developing countries on trade-related supply capacity issues, significant research had previously drawn out the key issues around Aid for Trade. In particular, the Global Trade and Financial Architecture Project (GTFA, 2005) coordinated by the UK's Department for International Development (DFID) and the UN Millennium Project Task Force on Trade (2005), were instrumental in clarifying previous political commitments in Aid for Trade.⁴ Among other issues, these initiatives advocated the need for additionality of funds and for coherence at the national and international levels. They also served to bring Aid for Trade to the attention of trade and aid decision makers in North and South.

1.2 Origin of the book

Coming in the wake of the WTO's engagement with Aid for Trade, this book compiles the results of a work program developed at the International Lawyers and Economists Against Poverty (ILEAP). ILEAP has provided ongoing support to countries in Africa and the Caribbean from the inception of Aid for Trade concepts through the Hong Kong Ministerial and beyond. The work program focuses on elaborating the overall architecture of Aid for Trade; bringing forward African and Caribbean perspectives; and exploring specific Aid for Trade projects, including in services and trade facilitation. The collection of articles in this volume presents many of the ideas elaborated through ILEAP's research, and is intended to provide a basis for further study of the issue-area. Since many of the contributions on Aid for Trade to date have come from the North, the book looks to deepen the debate by presenting here a number of perspectives and experiences from the South.

Following this introduction, the book is divided into three parts. The chapters in Part I – **Aid for Trade Genesis and Architecture** – take a close look at the origins of Aid for Trade and examine the global architecture, modalities, and costs associated with its implementation. In so doing we attempt to frame the discussion with respect to how Aid for Trade can be classified, funded, and delivered, with an emphasis on the perspectives of beneficiary countries. In moving towards

⁴ At the Gleneagles Summit in July 2005, leaders of the G8 developed countries agreed to increase aid to developing countries to build physical, human, and institutional capacity to trade, and to grant additional support for trade capacity building. See G8 (2005): para. 22 (a).

a way forward in Aid for Trade, it is important to take note of prior experience in delivery, and to draw lessons from these. Part II – **Aid for Trade in Action** – aims to do precisely this. The chapters in this part recount the implementation of past trade capacity building programs and explore what went wrong, what went right, and how these lessons can be applied to the future Aid for Trade agenda. Part III – **Way Forward** – points to three areas that have been under-represented in the Aid for Trade discourse: private sector development; infrastructure; and a regional approach. The chapters in this part offer concrete proposals for how these areas could be incorporated into the Aid for Trade agenda to ensure it maintains a focus on its core supply-side elements. Taken together, the three parts attempt to move toward the long-term objective of making trade an effective engine of growth and poverty eradication.

2 Part I: Aid for Trade genesis and architecture

Development support for trade-related areas has been around for many years. As Hoekman explains in Chapter 1, the legacy of Aid for Trade can be traced back at least to the 1980s, when support for the integration of developing countries into the global economy through liberalization of trade-related policies was a major aspect of the lending programs and activities of the International Monetary Fund (IMF) and the World Bank. With the advent of poverty reduction strategies in the 1990s, a larger share of development assistance was directed towards health, education, and public expenditure management, with less aid going to infrastructure, agriculture, and trade. In the late 1990s, many developing countries perceived a need to focus more on stimulating higher economic growth rates. This view was supported by several reports: for instance, the UN Millennium Task Force on Trade stressed that trade could do much to help achieve the Millennium Development Goal of halving poverty by generating higher growth rates. A similar message was expressed in the 2005 report of the Commission for Africa (2005).

The renewed recognition of the importance of trade for development led to an increased focus by the development community on the importance of removing barriers in export markets for firms and farmers in developing countries, and thus strong support for an ambitious Doha Round outcome. However, the support for global liberalization was accompanied by a strong emphasis on the need for complementary policies and investments in low-income developing countries.

The Aid for Trade agenda emerged at a time of lackluster advancement of development in the Doha Round. Key developing country concerns such as implementation of the Uruguay Round agreements⁵ and special and differential treatment (SDT)⁶ were marginalized as increasing focus turned to developed country issues in agricultural and industrial market access. In Chapters 1, 2, and 3, Hoekman, Ismail, and Finger argue that Aid for Trade must be conceived of as a fundamental component of what constitutes “development” in the multilateral trading system

⁵ The Doha Round ‘implementation’ agenda includes addressing a list of imbalances from previous rounds, which developing countries felt had hindered the realization of meaningful gains from the new system of rules. Such imbalances include the lack of implementation of certain commitments and obligations on the part of developed countries (including special and differential treatment provisions), as well as difficulties encountered by developing countries in implementing their new obligations. See ICTSD/IISD (2003).

⁶ SDT holds that global trade rules cannot apply equally to countries at different levels of development.

(MTS). As such, it goes hand-in-hand with the concept of SDT. Different and more favorable treatment for those countries less able to compete has become essential to ensuring proportionality in the commitments undertaken by developed and developing countries, reflecting their differing abilities to obtain benefits from the trading system. SDT has traditionally been put into practice by granting exemptions or longer implementation timelines for developing countries – essentially derogations from the WTO norm of nondiscrimination. One could argue that Aid for Trade is essentially another way of expressing SDT, one that can improve policy coherence by marrying greater overall nondiscriminatory access to markets to an enhanced ability on the part of low-income countries to exploit such access.⁷ Indeed, one of the key Doha Round SDT proposals links to Aid for Trade by urging donors, multilateral agencies and international financial institutions to coordinate their work to “ensure that LDCs are not subjected to conditionalities on loans, grants and official development assistance that are inconsistent with their rights and obligations under the WTO Agreements.”

Previous efforts at technical assistance and capacity building in trade, however, have tended to be relegated to the sidelines of the WTO, and have not addressed the lack of competitiveness of the trading system’s poorest members. Initiatives such as the Integrated Framework for Trade-Related Technical Assistance for LDCs (IF) and the Joint Integrated Technical Assistance Programme (JITAP) (see Box 0.3), in which the WTO is a key player, aim to coordinate and enable technical assistance activities. But their effect has been limited by a lack of funding and inadequate focus on supply-side issues such as infrastructure or private sector development. By reorienting the discussion not only to comprehensive and coherent support to technical assistance for trade professionals but also to addressing the root supply-side causes of developing country disenfranchisement from the multilateral trading system, Aid for Trade has the potential to reverse this trend.

To a certain extent, prior to Hong Kong the WTO had already begun to recognize the importance of linking trade commitments with the domestic ability of poor countries to meet them, as discussed in Chapter 3 by Finger. In an agreement reached in 2004 (WTO, 2004),⁸ language on the issue of trade facilitation mandated that “support and assistance should also be provided to help developing and least-developed countries implement the commitments resulting from the negotiations . . . It is understood, however, that in cases where required support and assistance for such infrastructure is not forthcoming, and where a developing or least-developed Member continues to lack the necessary capacity, implementation will not be required.” While the “support and assistance” referred to show that WTO members were already taking note of the need for adequate supply-side assistance to be made available to meet obligations, they did so by relaxing the obligation to implement rather than by committing to address the core problems to enable smooth and progressive insertion of these countries in the international trading system. Thus while the trade facilitation commitment was an important milestone for linking technical assistance to trade obligations, WTO members at that stage were not ready to fully commit to helping developing countries exploit the benefits of the agreement.

⁷ See also Hoekman and Prowse (2005).

⁸ For language on trade facilitation see July 2004 Package, Annex D.

Box 0.3. The Integrated Framework and JITAP

Integrated Framework for Trade-Related Technical Assistance for Least-Developed Countries (IF)

The IF was launched in 1997 to facilitate coordination of trade-related technical assistance and promote an integrated approach to assist Least Developed Countries (LDCs) enhance their trade opportunities. It is a joint initiative supported by six agencies – the International Trade Centre (ITC), the International Monetary Fund (IMF), the UN Conference on Trade and Development (UNCTAD), the UN Development Programme (UNDP), the World Bank, and the WTO – and aims to coordinate the trade-related technical assistance provided by them. Although the IF initially made little progress, it was revamped in 2000 as a mechanism to mainstream trade into national economic plans and poverty reduction strategies. An IF trust fund was established to finance Diagnostic Trade Integration Studies (DTIS), which involve a comprehensive assessment of countries' barriers to trade. These are followed up by action plans for the delivery of trade-related technical assistance, with a view to mainstreaming trade into countries' Poverty Reduction Strategy Papers (PRSPs). The IF has two main funding windows – Window I, which is used to fund the DTIS (US\$300,000 per country), and Window II, which is used to fund projects (up to US\$1 million per country). As a result of various implementation gaps – including lack of donor uptake on DTIS – at the September 2005 IMF and World Bank Development Committee meeting it was decided that the IF should be enhanced and provided with additional resources. The Task Force charged with developing proposals for an 'Enhanced Integrated Framework' delivered its report in June 2006. Its main conclusions were: (i) raise the current level of funding (US\$35 million) to a funding target of US\$400 million over an initial five-year period; (ii) strengthen capacity in recipient countries to manage the IF process; (iii) create a new Executive Secretariat in Geneva, housed at the WTO Secretariat; and (iv) establish a monitoring and evaluation framework. The Task Force further determined that the IF should not be expanded to include non-LDC low-income countries, and that alternative or parallel structures will be needed for non-LDCs.

Joint Integrated Technical Assistance Programme (JITAP)

JITAP, established in 1998, is a trade capacity building program for selected least-developed and other African countries. Like the IF, it emerged following the conclusion of the Uruguay Round to respond to developing countries' technical assistance and capacity building concerns within the multilateral trading system. It is a joint initiative from the WTO, UNCTAD, and ITC. JITAP channels support from various donors into one program to help African country partners benefit from the multilateral trading system. In a first phase, eight countries participated in JITAP: Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tunisia, Uganda, and the United Republic of Tanzania. A group of eight new countries has been added for the second phase as of 2002: Botswana, Cameroon, Malawi, Mali, Mauritania, Mozambique, Senegal and Zambia. JITAP focuses on five sets of activities: (i) setting up Inter-Institutional Technical Committees; (ii) workshops to build national capacity on WTO negotiations; (iii) studies and export promotion strategies; (iv) setting up reference centers; and (v) participation of national experts in negotiation processes in Geneva. The fact that JITAP is an instrument that is available to all African (developing and least-developed) countries makes it a tool that could be adapted to channel part of an Aid for Trade package to countries in the region. This also makes it suitable for regional programs, which are likely to address problems of both LDCs and other countries within regional groupings together with LDCs.

In the context of the various global commitments on Aid for Trade (see Box 0.2), WTO members have acknowledged that support for improving trade-related capacity should be pursued for reasons that are inside as well as outside the current Doha Development Agenda. This is clarified further in Chapter 4 by te Velde, which examines Aid for Trade through a public goods lens. On the one hand, when viewed widely, Aid for Trade can support the conclusion of WTO negotiations and therefore contribute to the provision of “governance” public goods. On the other hand, several components of current and past Aid for Trade activities contribute to the provision of public goods or goods with externalities themselves, particularly in the areas of governance and knowledge production and dissemination. It is well known that the provision of public goods is undersupplied when left to the market, so aid could usefully support the public provision of public goods. With regards to governance, Aid for Trade can be seen as a key element of a global system of trade rules, and can help ensure this system is supportive of development. It also can help to raise knowledge levels both nationally in the form of impact assessments and trade development studies, and internationally in the form of awareness-raising. These are aspects that provide benefits to all users of the multilateral trading system.

However, gaps exist in the provision of public goods related to Aid for Trade, particularly with respect to determining the optimum level of delivery (country programs vis-à-vis global programs), impact assessments of changes to trade rules, and awareness raising at a global, regional and national level. In particular, serious constraints persist in conceiving and delivering Aid for Trade at the regional level.⁹ This problem is exacerbated by the fact that many countries are operating along regional lines in the trade field, and effective Aid for Trade delivery may well require a regional approach. The WTO Aid for Trade Task Force recognized this, and recommended exploring the merits of establishing Regional Aid for Trade Committees, comprising sub-regional and regional organizations and financial institutions, to oversee the implementation of the regional dimension of Aid for Trade.

The explicit recognition of a WTO interest in and responsibility for aid at Hong Kong has offered the possibility that the supply-side concerns of the multilateral trading system’s less-advantaged members will start to be taken seriously. Whether expectations are met for effective delivery and additional and predictable increases in trade-related aid will depend on a range of factors. These include a sustained commitment from donors, engagement from beneficiaries, and devising a workable Aid for Trade architecture. Together with te Velde, Chapters 5, 6, and 7 by Page, Cali, and Njinkeu et al. respectively explore in greater detail the modalities and architecture of Aid for Trade – namely how it can be defined, measured, and delivered.

2.1 What does Aid for Trade include, and how much will it cost?

For many, there is a great deal of confusion and some skepticism concerning what Aid for Trade is, who it is for, how it might work, and where the money will come

⁹ Though they can bring significant benefits, particularly for landlocked countries, regional programs are associated with high transaction costs and coordination problems. They are further constrained by the fact that donor-beneficiary arrangements tend to be based at the national level and run counter to regional approaches. See IMF/World Bank (2006).

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from. Aid for Trade implies costs for areas as diverse as trade-related technical assistance, regional integration, and infrastructure. In order to determine the magnitude of these costs, it is useful first to determine what exactly is included in Aid for Trade and how various aspects of it could be classified. This can provide useful indications for how it could be structured to best meet the needs of its beneficiaries.

2.1.1 *Narrow and Broad*

One way to categorize Aid for Trade, outlined in Chapter 5 by Sheila Page, is by differentiating aid for WTO-related costs from aid needed more broadly to help countries use trade as part of their development strategies. The “Narrow” category includes costs for implementation of multilateral commitments, as well as those related to preference erosion. The “Broad” category covers support for conventionally recognized trade policy capacity building; for infrastructure and other measures to build countries’ ability to trade; for institutions that improve capacity to trade at both the country and regional levels; and for building up private sector enterprise in new export (or import replacing) areas. In determining what any Aid for Trade package should include, it is important to take into account the different types of needs identified, the different timing of needs, and the different principles that tend to guide the aid and trade discourses.

2.1.2 *Three pillars*

Another way to classify Aid for Trade, related to the above, is to group its different aspects into three broad pillars: supply-side capacity; trade system costs; and trade policy development. Chapter 7 by Njinkeu et al. takes a closer look at this categorization and reviews its implications for African countries. At its heart, the first pillar is about building productive capacities by enhancing the regulatory, human resource, and physical infrastructures that businesses need to produce goods competitively and to move and export these goods efficiently. It comprises both private sector development and infrastructure more broadly defined. The second pillar refers to the alleviation of costs incurred as a result of trade reforms, including those undertaken as a means of implementation of international trade agreements. Grouped under this category are costs incurred from implementation of trade rules; food price increases to net food importers; preference erosion; reductions in tariff revenues; and other economic and social costs related to adjustment in specific sectors. The third pillar outlines assistance needed to address the human resource capacity gap in trade policy making and implementation. If African governments are to formulate trade policy and negotiating positions that promote development and poverty reduction, they require a range of expertise at many different levels. This involves training as well as facilitating inputs from relevant ministries, the private sector, research institutions, and civil society.

2.1.3 *Aid for Trade Task Force*

The two classifications outlined in the preceding paragraphs are reflected broadly in the WTO’s Aid for Trade Task Force Report, which defines six categories based

on existing Aid for Trade programs:¹⁰ (i) trade policy and regulations; (ii) trade development (for example, investment promotion and business support services); (iii) trade-related infrastructure; (iv) building productive capacity; (v) trade-related adjustment; and (vi) other trade-related needs. The report suggests that activities should be reported as Aid for Trade when they have been identified as trade-related priorities in recipient countries' development strategies such as the Poverty Reduction Strategy Paper (PRSP).

A better understanding of the scope of Aid for Trade helps to make informed estimates of the expected costs. Towards this end, Chapter 6 by Cali builds on the Narrow / Broad classification developed by Page in Chapter 5. Quantifying Narrow WTO-related costs tends to be more straightforward than calculating open-ended costs associated with infrastructure or private sector enterprise. Narrow costs are seen to amount to between US\$2 billion and US\$4.2 billion, depending on assumptions used. Based on past expenditures, broad costs have increased from US\$11 billion in 2001 to US\$17 billion in 2004, mainly driven by outlays in infrastructure. These costs would need to be maintained or increased to meet ongoing needs, and refocused towards countries and regions where needs are greatest. Notably, as Cali points out, a brief analysis of the largest recipients of Aid for Trade indicates that strategic geopolitical concerns – rather than need – tend to be the major drivers of aid allocation or increases. This tendency has serious implications for a long-term disbursement agenda that focuses on meeting actual needs rather than serving the short-term strategic or security goals of donors.

2.2 Who is involved?

A wide range of stakeholders are by necessity involved in Aid for Trade delivery. These include government officials in donor and recipient countries, international agencies such as the World Bank and the WTO, regional organizations, the private sector, the research community, and civil society. Effective implementation of Aid for Trade will require the involvement of all these groups at the appropriate levels.

Many of the elements associated with Aid for Trade are already covered in one form or another by various trade-related technical assistance and capacity building initiatives. Chapter 4 by te Velde reviews a number of these initiatives and assesses their role in delivery of trade-related assistance. At the multilateral level, beyond the Integrated Framework and JITAP, other programs include the IMF's loan-based Trade Integration Mechanism (TIM) that addresses aspects of compensation and adjustment finance, and the WTO's Standards and Trade Development Facility (STDF), designed to assist developing countries meet global food and safety standards. There are a multitude of other programs delivered by international agencies, including the World Bank, the UN Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), and the UN Development

¹⁰ This classification is derived from that used by the WTO/Organization for Economic Cooperation and Development (OECD) Trade Capacity Building Database (2007), a compendium of all trade-related assistance programs. The database uses three categories to classify Aid for Trade: (i) trade-related technical assistance and capacity building; (ii) trade-related infrastructure; and (iii) building productive capacity. Chapter 2 by Ismail looks more closely at this classification.