

Evaluation of the European Union's Trade-related Assistance in Third Countries

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*The opinions expressed in this document represent the authors' points of view
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Evaluation of the European Union's Trade-related Assistance in Third Countries

Final Report, Volume II b

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*Thematic Global Evaluation of
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1 Introduction

The analysis of Country Strategy Papers (CSP) and Regional Strategy Papers (RSP) is a tool helping to highlight some trends related to the Commission's support to Trade-related Assistance (TRA) in third countries. Per se, it cannot cover all judgement criteria and indicators identified, as CSPs/RSPs do only provide partial information related to these issues.

Table 1 – Overview of indicators included in this CSP analysis

Evaluation Question	Judgement Criteria	Indicator
EQ-1 To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?	JC-1-1 Extent to which priorities in relation to TRA reflect partners' development strategies	I-1-1-2 TRA support aligned with partners corresponding policies and priorities
		I-1-1-3 Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners
EQ-2 To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?	JC-2-1 Aid delivery modalities appropriate to national/regional context	I-2-1-1 Selection of aid modalities explicitly analysed during design of TRA support
EQ-3 To what extent has the Commission's TRA support been designed and implemented in a coordinated and complementary fashion with other EU development	JC-3-2 Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states	I-3-2-1 Evidence of synergies between Commission's and EU Member States' TRA and added value of Commission's TRA
		I-3-2-2 Sharing of information and policy analysis on trade Commission and EU Member States at the level of partner countries
	JC-3-3 Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners	I-3-3-1 Sharing of information and policy analysis on trade between EC and other development partners at the level of partner countries
		I-3-3-3 Degree to which joint TRA strategies and programmes are in place and operational in partner countries

EQ-7 To what extent has the Commission's TRA contributed to deepening regional economic integration?	JC-7-2 Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level	I-7-2-2 Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers
	JC-7-3 Degree to which Commission TRA strengthened institutional capacities of regional secretariats to support regional integration process	I-7-3-2 Evidence for effective mechanisms for regional consultation with private sector and other non-state actors to provide voice
EQ-8 To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?	JC-8-2 Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows	I-8-2-1 Investment promotion addressed in CSPs/NIPs
EQ-9 To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?	JC-9-1 Commission TRA analysed and targeted key poverty issues (and the gender implications) during design	I-9-1-3 Incorporation of opportunities for Fair Trade initiatives in TRA programmes
	JC-9-3 TRA supported enforcement of ILO standards	I-9-3-1 ILO standards addressed in the design of relevant Commission's TRA

This analysis is based on the review of 46 CSPs and RSPs, i.e. two CSPs/RSPs for each country/regional organisation (RO), due to the fact that the temporal focus of the TRA evaluation covers two CSP periods. Furthermore, the available national Indicative Programmes (NIP) and the regional indicative programmes (RIP) covering the period 2004-2010 were analysed.

Table 2 – Overview over analyzed documents for each country

Country	Region	Documents analyzed
Bangladesh	Asia	CSP 2002-2006; CSP 2007-2013; NIP 2003-2005; NIP 2007-2010
Burkina Faso	ACP	CSP 2001-2007; CSP 2008-2013; NIP 2001-2007; NIP 2008-2013
Cambodia	Asia	CSP 2004-2006; CSP 2007-2013; NIP 2005-2006; NIP 2007-2010
Cameroon	ACP	CSP 2002-2007; CSP 2008-2013; NIP 2002-2007; NIP 2008-2013
China	Asia	CSP 2002-2006; CSP 2007-2013; NIP 2005-2006; NIP 2007-2010
Côte d'Ivoire	ACP	CSP 2004-2007; CSP 2008-2013; NIP 2004-2007; NIP 2008-2013
Dominica	ACP	CSP 2002-2007; CSP 2008-2013; NIP 2002-2007; NIP 2008-2013
Egypt	ENPI	CSP 2002-2006; CSP 2007-2013; NIP 2007-2013
El Salvador	Latin America	CSP 2002-2006; CSP 2007-2013; NIP 2002-2006; NIP 2007-2013
Ghana	ACP	CSP 2002-2007; CSP 2008-2013; NIP 2002-2007; NIP 2008-2013
Guyana	ACP	CSP 2002-2007; CSP 2008-2013; NIP 2002-2007; NIP 2008-2013
India	Asia	CSP 2002-2006; CSP 2007-2013; NIP 2002-2006; NIP 2007-2010
Jordan	ENPI	CSP 2002-2006; CSP 2007-2013; NIP 2005-2006; NIP 2007-2010
Mozambique	ACP	CSP 2001-2007; CSP 2008-2013; NIP 2001-2007; NIP 2008-2013
Paraguay	Latin America	CSP 2001-2006; CSP 2007-2013; NIP 2001-2006; NIP 2007-2013
Russian Federation	ENPI	CSP 2002-2006; CSP 2007-2013; NIP 2004-2006; NIP 2007-2010
Senegal	ACP	CSP 2002-2007; CSP 2008-2013; NIP 2002-2007; NIP 2008-2013
South Africa	ACP	CSP 2003-2005; CSP 2007-2013; NIP 2003-2005; NIP 2007-2013
Tanzania	ACP	CSP 2001-2007; CSP 2008-2013; NIP 2001-2007; NIP 2008-2013
Tunisia	ENPI	CSP 2002-2006; CSP 2007-2013; NIP 2005-2006; NIP 2007-2010
Ukraine	ENPI	CSP 2002-2006; CSP 2007-2013; NIP 2004-2006; NIP 2007-2010
Vietnam	Asia	CSP 2002-2006; CSP 2007-2013; NIP 2005-2006; NIP 2007-2010
Zambia	ACP	CSP 2001-2007; CSP 2008-2013; NIP 2001-2007; NIP 2008-2013

Table 3 – Overview over analyzed documents for each RO

Regional Organisation	Documents analyzed
ASEAN - Association of Southeast Asian Nations	RSP 2005-2006; RSP 2007-2013;
CARIFORUM (CARICOM) - Caribbean Forum (Caribbean Community)	RSP 2003-2007; RSP 2008-2013; RIP 2003-2007; RIP 2008-2013;
COMESA - Common Market for Eastern and Southern Africa	RSP 2002-2007; RSP 2008-2013; RIP 2002-2007; RIP 2008-2013;
UEMOA - Union économique et monétaire ouest-africaine	RSP 2002-2007; RSP 2008-2013; RIP 2002-2007; RIP 2008-2013;

The following table depicts where TRA is a focal sector or part of a focal sector. The table shows that in the analysed CSPs, TRA is most often part of a broader focal sector comprising the wider field of AfT or economic development in general.

Table 4 – Trade as focal sector: countries

Country	CSP I	CSP II
Bangladesh	Yes “Enhancing Trade Capacity, Economic Development and Regional Cooperation”	Yes “Enhancing Trade Capacity, Economic Development and Regional Cooperation”
Burkina Faso	No (But appears in non-focal sector allocation)	No (But appears in non-focal sector allocation)
Cambodia	Yes “Pro-poor economic development”	No (But TRA is listed under “additional actions”)
Cameroon	No	Yes “Trade and regional integration”
China	Yes “Support for the Social and Economic Reform Process”	Yes “EU-China Trade Co-operation” as part of “Support in areas covered by Sectoral Dialogues”
Côte d’Ivoire	No (But appears in non-focal sector allocation)	No (But appears in non-focal sector allocation)
Dominica	No	No (But part of “Non-Focal Sector 1: Technical Cooperation Facility”)
Egypt	Yes No focal sectors are defined in the CSP, but “Support to Trade Enhancement” is part of one of the three “specific objectives” named in the CSP	Yes No focal sectors are defined in the CSP, but “Developing the competitiveness and productivity of the Egyptian economy” is one of the “three key objectives” named in the CSP
El Salvador	Yes No focal sectors are defined in the CSP, but TRA can be found under “Equitable Economic Growth” which is one of the three “Priority Areas”	Yes “Economic growth, regional integration and trade”
Ghana	No	No (But appears in non-focal sector allocation)
Guyana	No	No
India	No (But “Trade and Development Programme” mentioned under “Strengthening EU India Ties”)	Yes “Action Plan Implementation”
Jordan	Yes “Trade Enhancement and institution building”	Yes “Trade and investment development”
Mozambique	No	Yes “Agricultural, rural development and regional economic integration”, as well as under non-focal areas “Support for Trade and EPA”
Paraguay	Yes “Productive development, competitiveness and investments in the framework of the Paraguayan regional integration in Mercosur”	Yes “Support efforts for a better integration of Paraguay’s economy”
Russian Federation	Yes	Yes

Country	CSP I	CSP II
	“Support to the reform of public administration and of the judicial system, with a focus on trade and investment promotion and institutions related to PCA implementation and WTO accession processes, while tackling the corruption issue”	No focal sectors are defined, but “Common Spaces” of which one is “Common Economic Space”
Senegal	No (But appears in non-focal sector allocation)	Yes “Support for regional integration and trade”
South Africa	Yes Under two focal sectors, namely “Equitable and sustainable economic growth” and “Regional integration and co-operation”	Yes “Economic and trade objective”
Tanzania	No	Yes “Trade and regional integration”
Tunisia	Yes No focal sectors are defined, but one of five priorities is “Trade liberalisation and South-South integration”	Yes “Economic governance, competitiveness and convergence with EU”
Ukraine	Yes No focal sectors are defined but one of three priorities is “Support to the private sector and assistance for economic development”	Yes No focal sectors are defined but TRA is included in one of three priorities, namely under “Regulatory Reform and administrative capacity building”
Vietnam	Yes “Integration of Vietnam into the international economy”	No (But TRA included under “Additional actions”)
Zambia	Yes But only as part of “Institutional Development and Capacity Building”	No (But included under non-focal sector)

Table 5 – Trade as focal sector: ROs

Regional Organisation	RSP I	RSP II
ASEAN - Association of Southeast Asian Nations	Yes No focal sectors are defined but one of five priorities is “Injecting a new dynamism into regional trade and investment relations”	Yes No focal sectors are defined but one of three priorities is “Support for Regional Integration”
CARIFORUM (CARICOM) - Caribbean Forum (Caribbean Community)	Yes	Yes “Regional Economic Integration/Cooperation and EPA priority areas including Capacity Building”
COMESA - Common Market for Eastern and Southern Africa	Yes “Economic Integration and Trade”	Yes “Regional Economic Integration”
UEMOA - Union économique et monétaire ouest-africaine	Yes “Regional Economic Integration and Trade Support”	Yes “Deeper regional integration, improved competitiveness and EPA”

Regarding TRA as a focal sector, or part of a focal sector, the following can be seen:

- In 10 countries, TRA appears as part of a focal sector in both periods.
- In 5 countries, TRA is neither part of a focal area in the first nor the second CSP-period, but in 2 countries TRA appears under non-focal area in both periods, and in 2 countries TRA appears under non-focal area in the second CSP-period.
- In 3 countries, TRA is part of a focal area in the first CSP, but not part of a focal area in the second CSP.
- In 5 countries, TRA is not part of a focal area in the first CSP, but is part of a focal sector in the second CSP.
- For all ROs, TRA is focal area in both periods.

2 Findings

2.1 EQ-1 To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC-1-1 Extent to which priorities in relation to TRA reflect partners' development strategies

I-1-1-2 TRA support aligned with partners corresponding policies and priorities

Analysis of situation regarding TRA

All CSPs contain a description of the partner country's economic and policy situation regarding trade issues. However, these analyses differ regarding the extent of details given. Furthermore, there is a trend of having more detailed descriptions of the partner country's situation in the second CSP period.

Table 6 – Partner country's trade situation and policy described in CSP

Extent of details	CSP I	CSP II
Very detailed description	Cambodia (f) Dominica Egypt (f) El Salvador (f) Jordan (f) Mozambique Tunisia (f) Ukraine (f) Vietnam (f) Zambia (f)	Bangladesh (f) Cambodia Egypt (f) El Salvador (f) Ghana Guyana Jordan (f) Mozambique (f) Tanzania (f) Ukraine (f) Vietnam Zambia
Description with some details	Bangladesh (f) Ghana Paraguay (f) Russian Federation (f) Senegal South Africa (f) Tanzania	Burkina Faso Cameroon (f) Côte d'Ivoire Dominica India (f) Paraguay (f) Russia Federation (f) Senegal (f) South Africa (f) Tunisia (f)
Only a brief description	Burkina Faso Cameroon China (f) Côte d'Ivoire Guyana India	China (f)
No description	-	-

(f) = country with a TRA focal sector in the respective CSP

Table 7 – Aspects included in description of partner country

Aspect	CSP I	CSP II
Export and import structure: volume, sectors, main trading partners, development over last years	Cambodia China Côte d'Ivoire Dominica Egypt El Salvador Ghana Guyana India Jordan Mozambique Paraguay Russian Federation Senegal South Africa Tanzania Tunisia Ukraine Vietnam Zambia Bangladesh	Bangladesh Burkina Faso Cambodia Cameroon China Côte d'Ivoire Dominica Egypt El Salvador Ghana Guyana India Jordan Mozambique Paraguay Russian Federation Senegal South Africa Tanzania Tunisia Ukraine Vietnam Zambia
Trade-related challenges, needs, risks	Bangladesh Cambodia Dominica Egypt El Salvador Guyana Jordan Mozambique Paraguay Russian Federation Senegal Tanzania Tunisia Ukraine Vietnam Zambia	Bangladesh Burkina Faso Cambodia Côte d'Ivoire Dominica Egypt El Salvador Ghana Guyana Jordan Mozambique Paraguay Russian Federation Senegal South Africa Tanzania Ukraine Vietnam Zambia

Aspect	CSP I	CSP II
Government's trade policy, strategies, priorities (including membership in regional trade organizations, WTO membership, trade agreements)	Bangladesh Burkina Faso Cambodia Cameroon China Côte d'Ivoire Dominica Egypt El Salvador Guyana Ghana Jordan Mozambique Paraguay Senegal South Africa Tanzania Tunisia Ukraine Vietnam Zambia	Bangladesh Burkina Faso Cambodia Cameroon China Côte d'Ivoire Egypt El Salvador Ghana Guyana India Jordan Mozambique Paraguay Senegal South Africa Tanzania Tunisia Ukraine Vietnam Zambia
Tariff structure, tariff regime	Cambodia Dominica Egypt Ghana Jordan Mozambique Russian Federation Vietnam	Bangladesh Cambodia Egypt Ghana Jordan Mozambique Paraguay Tanzania Zambia
Investment regime regarding FDI	Cambodia Jordan Mozambique Ukraine	Jordan Ukraine Vietnam

A detailed analysis of aspects stemming from partner countries' memberships in regional organizations can be found in section 2.4.

Almost all CSPs (21 out of 23 in first period, 23 out of 23 in second period) give a brief description of the country's trade structure, mostly focusing on imports and exports as share of GDP, trade balance, FDI flows, main trading sectors, main trading partners and development over the last years prior to the formulation of the CSP. On average, these descriptions are more detailed in the second CSPs.

Many CSPs describe the partner's needs and challenges in the area of trade (16 in first period, 19 in second period). These needs mainly stem from membership in regional organizations and related needs to implement reforms, WTO accession process and related reform needs, change of competitiveness/terms of trade or changed competition situation in the world markets, and change of preferential treatments. Furthermore, several CSPs name export-led growth as a means to sustainable economic development and

poverty reduction, and describe the resulting need for trade liberalization, diversification of exports (less commodities, more labour-intensive products) and raising of export competitiveness. However, these needs are not described in much detail, and no concrete steps on how to address these needs are described.

Many CSPs (21 in first period, 21 in second period) describe the partner’s most important strategies and decisions in the area of trade policy, like general trade liberalization efforts, negotiation of free trade agreements and WTO membership/accession. These descriptions are rather broad and include little details about trade policy instruments. Only few CSPs give details about the tariff structure. And even less CSPs describe the investment regime and policies regarding FDI.

In general the second CSP period is of better quality and shows a higher level of details regarding the analysis of the partner countries situation. Aspects like non-tariff barriers to trade, SPS, conformity with quality standards, intellectual property rights, and so on can be found more often in the second CSPs.

Table 8 –Trade situation and policy of ROs described in RSP

Extent of details	RSP I	RSP II
Very detailed description	CARIFORUM COMESA	CARIFORUM COMESA
Description with some details	ASEAN	
Only a brief description		ASEAN
No description		

Most of the RSPs depict a detailed analysis of the partner’s situation regarding issues relevant for TRA.

Mentioning of Alignment

In the first period, 11 CSPs state that the EC response strategy is generally aligned to the partner’s policy objectives, while 5 explicitly state alignment of TRA activities with partner’s corresponding policies and priorities.

In the second period, 12 CSPs state that the EC response strategy is generally aligned to the partner’s policy objectives, while 6 explicitly state alignment of TRA activities with partner’s corresponding policies and priorities.

Table 9 – Mentioning of alignment to partner country's policy objectives

Country	CSP I	CSP II
Bangladesh	No	No
Burkina Faso	No	Yes
Cambodia	Yes (TRA)	Yes (TRA)
Cameroon	No	Yes
China	Yes (TRA)	No
Côte d'Ivoire	No	No
Dominica	Yes (general)	Yes (general)
Egypt	Yes (general)	Yes (general)
El Salvador	Yes (general)	Yes (general)
Ghana	Yes (general)	Yes (general)
Guyana	No	Yes (general)
India	Yes (general)	Yes (general)
Jordan	Yes (general)	Yes (general)
Mozambique	Yes (TRA)	Yes (general)
Paraguay	Yes (TRA)	Yes (TRA)
Russian Federation	Yes (general)	Yes (general)
Senegal	Yes (general)	Yes (TRA)
South Africa	Yes (general)	Yes (TRA)
Tanzania	No	Yes (TRA)
Tunisia	No	Yes (TRA)
Ukraine	Yes (general)	Yes (general)
Vietnam	Yes (TRA)	Yes (general)
Zambia	Yes (general)	Yes (general)

Regarding the ROs, all RSPs mention alignment of the Commission's objectives with the ROs' priorities and objectives.

Table 10 – Mentioning of alignment to partner country's policy objectives

RO	RSP I	RSP II
ASEAN	Yes	Yes
CARIOFORUM	Yes	Yes
COMESA	Yes	Yes
UEMOA	Yes	Yes

I-1-1-3 Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

Only few CSPs/RSPs mention joint analytical work in the area of TRA. Those countries are:

- First CSP period: India and South Africa
- Second CSP period: Cambodia, El Salvador, India, South Africa, Tanzania and Zambia

None of the RSPs mentions joint analytical work.

2.1.2 JC-1-2 Extent to which Commission TRA support has maintained relevance over time

I-1-2-1 Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

As stated above, all CSPs and RSPs contain a description of the partner country's situation. Please refer to section 2.1.1 for more details.

In the first CSP period, 9 countries make reference to the CSP of the previous period. And 11 countries mention lessons learnt from previous country evaluations or other strategy reviews.

In the second CSP period, almost all (22 out of 23) countries refer to the previous CSP. And 18 CSPs mention lessons learnt from previous country evaluations or other strategy reviews.

The following examples serve to illustrate such references and mentioning of lessons learnt:

Bangladesh CSP 2002-2006:

“Although past EC country strategy papers for Bangladesh included the prospect of bilateral economic co-operation with Bangladesh, little has actually been accomplished in this area.... The EC's autonomous decision to grant duty and quota free access to all products originating in Least Developed Countries (with the exception of arms – EBA initiative) provides new perspectives for Bangladesh provided the country's export range is successfully reviewed and traditional export products are living up to respective market demands....Economic co-operation has been too negligible to impact significantly on macroeconomic and foreign direct investment issues in Bangladesh.”

Egypt CSP 2007-2013:

“Key lessons learned from the 2002-2006 Egypt Country Strategy: ... The EC has moved away from large technical-assistance-based projects towards budget support in cases where the policy environment is conducive to producing the desired outcomes. Other recommendations, such as calling for greater focus of EC assistance on implementation of the Association Agreement [includes free trade agreement] in its entire dimension, including its political dimensions, or for targeting the EU's strategic goals of democracy and human rights and supporting social development and policy reform, are reflected in this Country Strategy Paper.

2.2 EQ-2 To what extent have the Commission’s TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC-2-1 Aid delivery modalities appropriate to national/regional context

I-2-1-1 Selection of aid modalities explicitly analysed during design of TRA support

Table 11 – Selection of aid modalities of TRA interventions discussed

Country	CSP I	CSP II
Bangladesh	No	Yes
Burkina Faso	No	No
Cambodia	Yes	No
Cameroon	No	Yes
China	No	No
Côte d’Ivoire	No	No
Dominica	Yes	Yes
Egypt	Yes	Yes
El Salvador	Yes	Yes
Ghana	Yes	Yes
Guyana	Yes	Yes
India	Yes	Yes
Jordan	No	Yes
Mozambique	Yes	Yes
Paraguay	No	No
Russian Federation	No	Yes
Senegal	No	Yes
South Africa	Yes	Yes
Tanzania	No	Yes
Tunisia	No	Yes
Ukraine	No	No
Vietnam	Yes	Yes
Zambia	Yes	Yes

Most of the CSPs address aid modalities. However, there is rarely a detailed explanation for the choice of aid modality. Often there is only a recommendation which aid modality should be preferred in general, or a description of a certain aid modality (mostly budget support). The following examples serve to illustrate this:

Bangladesh CSP 2002-2006:

“Sector wide approach is seen as the most appropriate way forward in Bangladesh”

Cambodia CSP 2004-2006:

“If the necessary conditions are met, preference will be given to delivering assistance using policy dialogue and a SWAP approach. The RGC is currently undertaking a revision of the DTIS

[diagnostic trade integration study], prepared under the IF. The revision will update the current framework for TRTA [trade related technical assistance] and assess the possibility for developing a SWAP approach for delivering TRTA.”

Dominica CSP 2008-2013:

“It is proposed that the A-envelope [including TRA] focus on General Budget Support as the EC country strategy for Dominica if the eligibility conditions continue to be fulfilled.”

Jordan CSP 2007-2013:

“For the selected priorities, while the support offered can be manifold, financial assistance is conceived as the main tool for achieving objectives common to the EU and Jordan... In this NIP, the projects’ description can suggest, when possible, to favour the use of budget support, including sector approaches.”

Only a few CSPs give a more detailed reasoning for the choice of specific aid modalities:

Egypt CSP 2007-2013:

“Budgetary support has proved successful in areas where the Government has started ambitious reforms and has been willing to involve donors, such as customs reforms, economic and sustainable water use, textile restructuring and vocational training. Use of budget support operations has also been made possible by the high level of control exercised by the Ministry of Finance over public funds, the Government’s consideration for new reforms to improve public finance management and for moving toward higher fiscal discipline.”

Mozambique CSP 2001-2007:

“The relevance of macro-economic budgetary support is justified by the financial need to sustain internal and external financial balances, and by its strong commitment to reduce poverty in the country.”

Russian Federation CSP 2007-2013:

“The evaluation [of TACIS] recommends that the sector-wide approach - negotiated in a spirit of partnership - should be adopted where possible, rather than the project approach. This would improve beneficiary commitment, impact and sustainability. (Another recommendation, at first sight paradoxical, is that micro-projects funded under grant programmes can be, if judiciously selected, disproportionately effective; the Court of Auditors also noted that the most successful projects were small ones for which objectives were clear and simple.)”

South Africa CSP 2003-2005:

“Encouraging results have justified a move to budget support in selected sub-sectors with greater ownership and lower transaction costs...In support of macroeconomic stability, budget predictability, appropriate systems of public finance management and global consensus on policies, the EC will increasingly adopt a sector support approach in the implementation of its co-operation programme with SA.”

Regarding the ROs, the RSP of COMESA and UEMOA mention budget support, but only very generally and without giving recommendations for choosing a specific modality.

2.3 EQ-3 To what extent has the Commission’s TRA support been designed and implemented in a coordinated and complementary fashion with other EU development

All CSPs (except for Cameroon CSP 2002-2007 and CSP 2008-2013) and all RSPs refer to overarching Commission policies and strategy papers, like the European Consensus on Development, Cotonou Agreement, Joint Council and Commission Declaration on Development Cooperation, Generalised System of Preferences (GSP), Everything But Arms (EBA) initiative. Some CSPs/RSPs mention several of those policies and strategy papers, some mention only one or two.

Furthermore, many of the CSPs/RSPs refer to Commission policies and strategy papers for specific regions or countries, like the Euro-Mediterranean Partnership, EU's Strategy for Africa, EU-Jordan Association Agreement, or the EU-Ukraine Action Plan of February 2005.

The following table gives an overview over which ACP states and RO and which CSP/RSP address the issue of Economic Partnership Agreements (EPA), and shows that the majority of CSPs (18 out of 22) and all RSPs (6 out of 6) included this topic:

Table 12 – Mentioning of EPA

Country/RO	CSP/RSP I	CSP/RSP II	EPA actually agreed
Burkina Faso	No	No	
Cameroon	No	Yes	Signed in 2009
Côte d'Ivoire	Yes	Yes	Signed in 2008
Dominica	Yes	Yes	As member of CARIFORUM
Ghana	Yes	Yes	Signature pending
Guyana	Yes	Yes	As member of CARIFORUM
Mozambique	Yes	Yes	Signed in 2009
Senegal	Yes	Yes	
South Africa	No	Yes	
Tanzania	Yes	Yes	
Zambia	Yes	Yes	
CARIFORUM	Yes	Yes	Signed in 2008
COMESA	Yes	Yes	
UEMOA	Yes	Yes	

Activities of the European Investment Bank

In the first period, 14 CSPs address activities of the European Investment Bank (EIB) within the respective country, while 9 do not mention the EIB. In the second period, 16 CSPs mention activities of the EIB while 7 do not mention the EIB.

All of the RSPs except for ASEAN RSP 2005-2006 mention activities of the EIB.

Reference to regional strategies or initiatives

In the first CSP period, 11 CSPs refer to regional strategies or initiatives of the Commission, while 13 do not mention regional activities or strategies. In the second period, 14 CSPs mention regional policies or strategies while 7 do not mention any regional activities.

2.3.1 JC-3-2 Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

Almost all CSPs and RSPs include descriptions of other donor's activities including the activities of European Member States as well as those of other donors (World Bank, UNDP, JICA, ADB,...). The

only CSPs/RSP that do not include such descriptions are Côte d'Ivoire CSP 2004-2007, South Africa CSP 2003-2005, Tunisia CSP 2007-2013 and ASEAN RSP 2008-2013.

19 CSPs (7 of first period and 12 of second period) include a detailed description of other donor's activities including a donor matrix giving an overview of priority areas and interventions. 7 CSPs (6 of first period and 1 of second period) include a detailed description of other donor's activities but do not specify any other donor's activities in the area of TRA. 16 CSPs (7 of first period and 12 of second period) only give a brief description of other donor's activities.

The RSPs all give detailed descriptions of other donor's activities except for ASEAN RSPs which give a brief description in the first period and none in the second.

I-3-2-1 Evidence of synergies between Commission's and EU Member States' TRA and added value of Commission's TRA

The following CSPs clearly formulate reasons for Commission's support in the area of TRA:

Bangladesh 2002-2006:

“There is no doubt that the integration of Bangladesh into the world economy is a top priority. To this end the EC's trade policy can make an important contribution to sustainable development of the country. As a matter of competency and of relative expertise, MS favour EC increased efforts in trade and economic co-operation both at regional and country level.”

Tanzania CSP 2008-2013

“Within the Joint Assistance Strategy process, as described in section 3 of the Joint Programming Document, the large group of donors within Tanzania who belong to the Development Partner Group have committed themselves to a rational Division of Labour. EU Member States and the Commission came together as a distinct group during 2006 to discuss and agree their relative roles. This resulted in the Commission's decision to withdraw from direct support to the Education sector under 10th EDF, where Sweden and the United Kingdom are expected to play a strong role from 2007 onwards, and to focus its core support on the growth area where it already has a policy mandate on behalf of the Member States. The Commission Delegation has regularly informed Member States on its trade and regional policies (including the Doha process, EPA negotiations and support to the East African Community), preparing a number of notes for the information of Heads of Mission. ... The choice of focal sector also derives from the Commission's accepted comparative advantage within the first, growth-related cluster of MKUKUTA. ... The comparative advantage stems from the specific EU mandate for the Commission in the field of trade, coupled with the long history of support to agriculture recognized by government and endorsed by EU Member States during consultative meetings on the 10th EDF programming. Finally, the Commission's particular vocation in this area was reflected in the independent Country Strategy Evaluation published in early 2006. The considerable diversity of activities within the focal sector reflects the fact that donors and government have a broad agenda, based upon the Integrated Framework Diagnostic Trade Integration Study (DTIS), to be validated by cabinet in due course. The DTIS addresses Tanzania's trade needs from a range of perspectives including multilateral policy, regional integration, macroeconomic and supply-side: it is a suitable vehicle for improved donor harmonization, based on a rational Division of Labour according to the relative strengths of different partners. With this in mind, **the Commission will focus its support in its areas where it adds the greatest value to the contributions of other development partners - agriculture and trade policy (and road transport within the other focal sector).**”

I-3-2-2 Sharing of information and policy analysis on trade Commission and EU Member States at the level of partner countries

The following table depicts which CSPs/RSPs describe coordination mechanisms with EU Member States.

Table 13 – CSPs/RSPs mentioning coordination mechanisms with other EU Member States

Country/RO	CSP/RSP I	CSP/RSP II
Bangladesh	No	Yes
Burkina Faso	No	No
Cambodia	Yes	Yes
Cameroon	No	No
China	Yes	Yes
Côte d'Ivoire	No	No
Dominica	Mentions donor coordination without specifying which donors	Mentions donor coordination without specifying which donors
Egypt	Yes	Yes
El Salvador	Yes	Yes
Ghana	Yes	Mentions donor coordination without specifying which donors
Guyana	No	No
India	Yes	Yes
Jordan	Yes	Yes
Mozambique	Yes	Yes
Paraguay	No	No
Russian Federation	Yes	Yes
Senegal	Yes	Yes
South Africa	Yes	Yes
Tanzania	No	Yes
Tunisia	No	Yes
Ukraine	No	Mentions donor coordination without specifying which donors
Vietnam	Yes	Yes
Zambia	Mentions donor coordination without specifying which donors	Yes
ASEAN	Mentions donor coordination without specifying which donors	Yes
CARIFORUM	Yes	Yes
COMESA	Yes	Yes
UEMOA	Mentions donor coordination without specifying which donors	Mentions donor coordination without specifying which donors

The following examples serve to illustrate different ways how the CSPs address coordination with EU Member States.

Cambodia 2002-2006

“The EC Country Strategy and the National Indicative Programme, as well as individual projects/programmes, are discussed with EU Member States and other donors during their preparation. The Commission is also participating in the working groups established under the CG mechanism and specific working groups following the implementation of sector-wide programmes. The Commission has been particularly pro-active in the working group on the implementation of the education sector programme, (...) , it is foreseen that the Commission will

take a similar pro-active approach in the other focal areas for support, health and pro-poor economic development (including both rural development and trade).”

China CSP 2007-2013

“Information exchange between the EU Member States and the Commission takes place primarily in the EU Development Counsellors Group and in the EU Environment Counsellors Group, which each meet four times a year. In this framework, the EC Delegation has been compiling and updating a list of all EU Member State and Commission-financed co-operation activities with China, which is published on the Delegation website.”

Jordan CSP 2002-2006

“The EU has established an internal Development Cooperation Group (EUDCG), which meets regularly at the Delegation in Amman, to improve common strategies, coherence, information exchange and visibility of EU and Member State programmes.”

The first CSP of El Salvador clearly state, that the donor coordination should be improved: “As a result, closer coordination will be necessary between the EU countries (e.g. GTZ, AECI), the international donors (especially IDB and UNDP) and the Commission, particularly through greater involvement and contact at local level beginning with the identification phase.”

The second RSP of CARIFORUM, also mentions room for improving donor coordination: “Nevertheless, there is still room for further improvement and steps need to be taken to avoid overlapping funding. The fact that donors’ regional offices are in different countries in the Region and that the CARICOM headquarters is not in the easiest of countries to access, does not help. CARIFORUM, however, needs to continue to work towards strengthening its donor coordinating mechanisms”

2.3.2 JC-3-3 Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners

I-3-3-1 Sharing of information and policy analysis on trade between EC and other development partners at the level of partner countries

The following table depicts which CSPs/RSPs describe coordination mechanisms with other donors.

Table 14 – CSPs/RSPs mentioning coordination mechanisms with other donors

Country/RO	CSP/RSP I	CSP/RSP II
Bangladesh	No	Yes
Burkina Faso	No	No
Cambodia	Yes	Yes
Cameroon	No	Yes
China	Yes	Yes
Côte d'Ivoire	No	No
Dominica	Mentions donor coordination without specifying which donors	Mentions donor coordination without specifying which donors
Egypt	Yes	Yes
El Salvador	Yes	Yes
Ghana	Yes	Mentions donor coordination without specifying which donors
Guyana	No	No
India	Yes	No
Jordan	Yes	Yes
Mozambique	No	Yes
Paraguay	No	No
Russian Federation	No	Yes
Senegal	Yes	No
South Africa	Yes	No
Tanzania	No	Yes
Tunisia	No	Yes
Ukraine	No	Mentions donor coordination without specifying which donors
Vietnam	No	No
Zambia	Mentions donor coordination without specifying which donors	Yes
ASEAN	Mentions donor coordination without specifying which donors	Yes
CARIFORUM	Yes	Yes
COMESA	Yes	Yes
UEMOA	Mentions donor coordination without specifying which donors	Mentions donor coordination without specifying which donors

I-3-3-3 Degree to which joint TRA strategies and programmes are in place and operational in partner countries

The following CSPs mention joint strategies:

Bangladesh CSP 2007-2013:

“Together with DfID the EC has jointly designed the first trade sector programme (Private Sector Development Support Programme, PSDSP). Further, EC and DfID work closely on the design and implementation of private sector development programmes in the post MFA context.”

Cambodia CSP 2007-2013

“The Commission will also be providing support to the RGC to formulate a sector-wide approach in the area of trade reform. This will be done in co-operation with the other donors involved in this sector (EU Member States, UN, ADB and WB in particular). The RGC has recently created a Steering Committee for Private Sector Development and three Sub-Committees: the Sub-Committee on Investment Climate and Private Participation in Infrastructure (PPI); the Sub-Committee on Trade Facilitation and the Sub-Committee on SMEs. This structure could provide the platform to develop SWApS in one or more of the areas covered by the sub-committees. In particular, the Sub-Committee of Trade Facilitation has been identified as the platform to develop a Trade Reform SWAp, while progress towards a SWAp in the areas of SMEs development and PPI is less encouraging. The Trade Reform SWAp is expected to become the main mechanism for policy dialogue with the RGC for the trade sector reforms. This policy dialogue will contribute directly to the PRSO, which includes “private sector development” among its key areas of support. “

South Africa CSP 2007-2013

“The country strategy paper sets out a joint response strategy, which the European Commission and EU member states will develop into a joint multi-annual indicative programme (MIP).”

Zambia CSP 2008-2013

The Joint Assistance Strategy Zambia (JASZ) was agreed and signed after the FNDP 2006-2010 was officially launched (January 2007). The purpose of the JASZ is to harmonise and align the assistance provided by cooperating partners to support the implementation of Zambia's national development goals. This is in line with the 2005 Paris Declaration, to which Zambia and its cooperating partners are signatory. The JASZ should be the appropriate instrument with which to progress towards further harmonization according to the requirements of the Cotonou Agreement and the EU development strategy.

2.4 EQ-7 To what extent has the Commission's TRA contributed to deepening regional economic integration?

2.4.1 JC-7-2 Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

I-7-2-2 Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

The following table depicts which CSP addresses TRA activities derived from regional agreements or the membership in regional organisations.

Table 15 – CSPs reflecting on regional agreements and TRA activities derived from them

Country	CSP I	CSP II
Bangladesh	No	No
Burkina Faso	Yes	Yes
Cambodia	Yes	Yes
Cameroon	No	No (only regional agreements mentioned but no supporting TRA activities)
China	No	No
Côte d'Ivoire	No (only regional agreements mentioned but no supporting TRA activities)	No (only regional agreements mentioned but no supporting TRA activities)
Dominica	Yes	Yes
Egypt	Yes	Yes
El Salvador	Yes	Yes
Ghana	No	Yes
Guyana	Yes	No (only regional agreements mentioned but no supporting TRA activities)
India	Yes	Yes
Jordan	Yes	Yes
Mozambique	Yes	Yes
Paraguay	Yes	Yes
Russian Federation	No	No
Senegal	Yes	Yes
South Africa	Yes	Yes
Tanzania	No (only regional agreements mentioned but no supporting TRA activities)	No (only regional agreements mentioned but no supporting TRA activities)
Tunisia	No (only regional agreements mentioned but no supporting TRA activities)	Yes
Ukraine	No	No
Vietnam	Yes	Yes
Zambia	No (only regional agreements mentioned but no supporting TRA activities)	Yes

2.4.2 JC-7-3 Degree to which Commission TRA strengthened institutional capacities of regional secretariats to support regional integration process

I-7-3-2 Evidence for effective mechanisms for regional consultation with private sector and other non-state actors to provide voice

Table 16 – RSPs addressing involvement of private sector

RO	CSP/RSP I	CSP/RSP II
ASEAN	No	Yes
CARIFORUM	Yes	Yes
COMESA	Yes	No
UEMOA	No	Yes

2.5 EQ-8 To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.5.1 JC-8-2 Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

I-8-2-1 Investment promotion addressed in CSPs/NIPs

The following table depicts which CSP/RSP addresses support by the Commission to the promotion of foreign direct investment (FDI) or the improvement of the investment climate.

Table 17 – Investment promotion addressed in CSPs

Country / RO	CSP/RSP I	CSP/RSP II
Bangladesh	Yes, FDI promotion is a priority	No
Burkina Faso	No	No
Cambodia	No	No
Cameroon	No	No
China	No	No
Côte d'Ivoire	No	No
Dominica	No	No
Egypt	No	Yes
El Salvador	Yes	Yes
Ghana	No	No
Guyana	No	No
India	Yes	Yes
Jordan	No	No
Mozambique	No	No
Paraguay	Yes	No
Russian Federation	Yes	Yes
Senegal	No	No
South Africa	Yes	No
Tanzania	No	No
Tunisia	Yes	Yes
Ukraine	Yes	Yes
Vietnam	No (although identified as a need)	Yes
Zambia	No (although identified as a need)	No
ASEAN	Yes	Yes, but only with regards to specific countries
CARIFORUM	Yes	Yes
COMESA	Yes	No
UEMOA	Yes	Yes

In the first CSP period, 8 CSPs address support of investment promotion. In the second period, 7 CSPs mention investment promotion. All RSPs except for the COMESA RSP 2008-2013 address investment promotion or improving the investment climate, whereby ASEAN CSP 2007-2013 addresses investment promotion only with focus on specific countries.

2.6 EQ-9 To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

2.6.1 JC-9-1 Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

I-9-1-2 Socio-economic aspects of TRA interventions analysed and addressed in design

Table 18 – CSP/RSP addressing poverty with regard to TRA

Country / RO	CSP/RSP I	CSP/RSP II
Bangladesh	No	Yes
Burkina Faso	No	No
Cambodia	Yes	Yes (also employment issues)
Cameroon	No	No
China	No	No
Côte d'Ivoire	No	No
Dominica	Yes	Yes
Egypt	No	Yes
El Salvador	No	Yes
Ghana	No	No
Guyana	No	No
India	Yes	No
Jordan	Yes	Yes
Mozambique	No	No
Paraguay	No	No
Russian Federation	No	No
Senegal	No	Yes
South Africa	No	No
Tanzania	No	No
Tunisia	No	No
Ukraine	No	No
Vietnam	No	No
Zambia	No	No
ASEAN	No	Yes
CARIFORUM	No	Yes
COMESA	No	No
UEMOA	No	No

Table 19 – CSP/RSP mentioning HIV/Aids, Gender or environmental issues regarding TRA

Country / RO	CSP/RSP I			CSP/RSP II		
	HIV/Aids	Gender	Environment	HIV/Aids	Gender	Environment
<i>Cross-cutting issue</i>						
Bangladesh					x	x
Burkina Faso						
Cambodia		X	X		X	X
Cameroon					x	
China						
Côte d'Ivoire						
Dominica					x	
Egypt						x
El Salvador				x	x	x
Ghana				x	x	x
Guyana						
India	x	x	x			
Jordan						
Mozambique						
Paraguay					x	x
Russian Federation				x	x	x
Senegal						x
South Africa	x	x	x	x	x	x
Tanzania						x
Tunisia						
Ukraine					x	x
Vietnam						
Zambia						
ASEAN						x
CARIFORUM	x	x	x	x	x	x
COMESA	x	x	x	x	x	x
UEMOA			x			

I-9-1-3 Incorporation of opportunities for Fair Trade initiatives in TRA programmes

Table 20 – CSP/RSP mentioning opportunities for Fair Trade initiatives or similar certificates

Country / RO	CSP/RSP I	CSP/RSP II
Bangladesh	Yes, “eco-labelling”	No
Burkina Faso	No	No
Cambodia	No	No
Cameroon	No	Yes
China	No	No
Côte d’Ivoire	No	No
Dominica	Yes	Yes
Egypt	No	No
El Salvador	No	No
Ghana	No	No
Guyana	Yes, “eco-tourism”	No
India	No	Yes
Jordan	No	No
Mozambique	No	No
Paraguay	Yes, “eco-tourism”	No
Russian Federation	No	No
Senegal	No	No
South Africa	No	No
Tanzania	No	No
Tunisia	No	No
Ukraine	No	No
Vietnam	No	No
Zambia	No	No
ASEAN	No	No
CARIFORUM	No	No
COMESA	No	No
UEMOA	No	No

2.6.2 JC-9-3 TRA supported enforcement of ILO standards

I-9-3-1 ILO standards addressed in the design of relevant Commission's TRA

Table 21 – CSP/RSP mentioning ILO standards regarding TRA

Country / RO	CSP/RSP I	CSP/RSP II
Bangladesh	No	Yes
Burkina Faso	No	No
Cambodia	No	No
Cameroon	No	No
China	No	No
Côte d'Ivoire	No	No
Dominica	No	Yes
Egypt	No	No
El Salvador	No	Yes
Ghana	No	Yes
Guyana	No	No
India	No	No
Jordan	Yes	Yes
Mozambique	No	No
Paraguay	No	No
Russian Federation	No	No
Senegal	No	No
South Africa	No	No
Tanzania	No	No
Tunisia	No	No
Ukraine	No	No
Vietnam	No	No
Zambia	No	Yes
ASEAN	No	Yes
CARIFORUM	No	No
COMESA	No	No
UEMOA	No	No

Annex 3

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Summary of Evaluations

Country Level Evaluations

Regional Level Evaluations

Evaluation of Trade.Com

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3 Introductory Remarks

This *Summary of Evaluations Report* covers 6 Regional, 19 Country Level Evaluations as well as the Evaluation of Trade.com of the Commission from 2006 onwards which cover Trade-Related Assistance (TRA) as important element of Commission's support to TRA in the respective region/country. Moreover, it covers the evaluation of Trade.com, an important TRA support activity on a global basis.

The *Summary of Evaluations Report* is an information source for the desk report of the *Thematic Global Evaluation of EC support to TRA in Third Countries* (TRA Evaluation). Information in this report has been compiled to complement information on TRA collected on the basis of selected *desk phase countries* for the purpose of the TRA evaluation. It aims to increase the evidence base for the evaluation and to allow a cross-check of specific country/regional level information on TRA taking into account the diversity of TRA support a global level.

The *Summary of Evaluations Report* is structured according to the outline of evaluation questions (EQs) / judgement criteria (JCs) / indicators as set forth with the Inception Report¹ whereby some JCs/indicators have been adjusted as proposed and explained in the desk report (see Volume 1). To a very large extent, findings from the evaluations were subsumed under the various indicators set forth with the evaluation. Where not possible, findings were directly related to corresponding EQs or JCs.

Although China is a desk study country, it is also included in this report. Some of the assessed evaluation reports are in French or Spanish language, which have not been translated here.

Comments/summaries have been kept very short and only highlighted findings at a highly general level or some specific conclusions as the evaluators have to assess them anyway at source level. Additional comments from Particip are written in *italic*.

¹ Taking into account the adjusted EQ/JC/Indicator matrix submitted to the EC by the end of March 2012

4 Evaluation Questions

4.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

4.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

Comments / summary
<ul style="list-style-type: none"> • In general (but not in all cases) alignment seems to be good, although alignment to some specific policy areas, such as to the environmental policy, seems to be partial only • Indicators 1.1.1 , 1.1.3 and 1.1.4 seem to be somewhat overlapping • Systematic assessment / (joint) analytical / diagnostic work seems to be deficient in some cases; if partner/demand driven, not always analytically well rooted • In some evaluations, alignment has been assessed in close relation to relevance so that a distinction was not always easy

4.1.1.1 I. 1.1.1 - TRA priority setting is a joint process

No evidence found in reports
./.

4.1.1.2 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

PHL
<p>However, a persisting shortcoming of trade support is a lack of an explicit environmental focus. The EU cooperation programme during the assessment period has been closely aligned with GoP policies with regard to poverty, health, rural development, governance and trade. We have not found any striking contradictions between EU priorities and strategies and GoP policy-making. The assessment gets more difficult when it comes to the cooperation programme's alignment with GoP processes and systems. It could be argued that some GoP processes and systems were not conducive for efficient and effective project implementation and therefore slowed down implementation. For example, in the case of TRTA II procurement is not under EU procurement rules due to an incompatibility of the EU's and GoP's respective systems.</p>
BOL
<p>En orientant tout d'abord ses actions vers les moyennes entreprises exportatrices et en essayant de promouvoir les relations commerciales avec l'UE, le programme s'est montré peu adapté à la réalité locale faite de petites et micro entreprises en grande partie informelles, peu préparées à affronter les complexités du marché international et exportant.</p>
Trade.Com
<p>The ACP often lack the institutional capacity and the human resources to fully assess the risks and opportunities arising from their gradual integration in the world economy and therefore to formulate, implement and monitor the appropriate trade policies and agendas for international trade negotiations which are conducive to sustainable development. Since the launch of the Doha round of multilateral trade negotiations and of the negotiations for Economic Partnership Agreements (EP As), ACP countries and regions have repeatedly asked for support to enhance their capacity for trade policy formulation and negotiations.</p> <p>The Trade.Com Facility is an all (or Intra) ACP €54.5 million programme of which the EC's share is €50 million. It was designed to help the regional integration organisations/Regional Economic Communities (REC) and ACP member States develop their own strategies and capacities in trade policy and to negotiate bilateral, regional and international agreements effectively.</p> <p>Trade.Com (from now on referred to as "the Facility") will address these problems through three main components. The first one is aimed at reinforcing local analytical and research capacities for trade policy formulation, while encouraging the systematic participation of all stakeholders in the process. The second</p>

component is intended to provide immediate assistance for ongoing negotiations through the recruitment of a pool of ACP trade experts and the training of ACP negotiators. The third component will promote catalytic pilot activities for institutional reinforcement in the area of trade support services (especially through the creation of an enabling regulatory environment to overcome technical and sanitary and phyto-sanitary barriers for trade development). Special attention will be paid to information, networking and dissemination of best practice.

The design of the Facility is based on the experience of past and on-going programmes, in particular those in support of WTO and EP A negotiations, and aims at addressing the problems in a comprehensive and subsidiary manner, emphasising the need for (inter)regional coherence, donor co-ordination and stakeholder consultation. While it provides a logical and sequential scheme for interventions at the institutional level, its implementation in each country and region will be needs and demand driven and will take into account specific circumstances and the on-going or planned interventions under other EC funding or of other donors.

Trade.Com success can be attributed to 1) a design that was coherent and increasingly aligned with EC and ACP development priorities.

However: Trade.Com was created to address urgent Trade Capacity Building (TCB) needs at regional and national levels. The problem analysis was appropriate and defined Trade.Com's operational focus. The objectives of the programme were and continue to be consistent with beneficiaries' requirements, country needs, global priorities and partners' and EC's policies. But the general objective was too ambitious (economic growth and poverty reduction). The purpose and expected results were attainable. At the very least, significant progress towards these goals could have been achieved via effective and efficient implementation of the three main programme components.

The programme budget was allocated as follows:

Analytical work €13.500.000 27.0% 2. Trade policy, negotiations capacity building 16.900.000 33.8% 3. Institutional capacity building pilot schemes 13.500.000 27.0% 4. Co-ordination 4.500.000 9.0% 5. Audits, evaluations 800.000 1.6% 6. Contingencies 800.000 1.6% Total €50.000.000 100%.

Trade.Com' applies a filtering process for supporting demand-led projects. After receiving a request for assistance/need identification, which is required to be pre-screened by EU Delegations at the closest point of origin, the PMU evaluates the request and, if the project is acceptable, prepares the standard Terms of Reference in collaboration with the beneficiary.

While Trade.Com alignment with the EC's policy framework was strong; it faced a more complex evolutionary process at regional and national levels. The Facility was designed after the 9 EDF Country Strategy Paper (CSP) priorities had been established so there was limited CSP alignment with COM 513 at that time. Trade.Com's initial "fit" with partner countries' development policy and strategy was mixed. Because the H&S component was providing direct long term TA to RECs and ACP States it would have had relatively positive stakeholder receptivity. For the PMU technical assistance component, at least initially, there was closer alignment with other EC and other donor initiatives than with ACP programmatic priorities.

Overall assessment of relevance of Trade.Com design

Trade.Com was created to address urgent TCB needs at regional and national levels. The problem analysis was appropriate and defined Trade.Com's operational focus. The objectives of the programme were and continue to be consistent with beneficiaries' requirements, country needs, global priorities and partners' and EC's policies. But the general objective was too ambitious (economic growth and poverty reduction). The purpose and expected results were attainable. At the very least, significant progress towards these goals could have been achieved via effective and efficient implementation of the three main programme components. The assumptions were also relevant and would have affected the programme's viability if not maintained. Finally, the combination of demand-led activities (components 1 and 3) and more structured institutional support created considerable flexibility for TCB implementation (component 2) would have allowed Trade.Com to address stakeholder-specific support as well as critical issues as they emerged. However, the lack of integration of an internal M&E mechanism, especially for the demanded components was a design deficiency that compromised the Facility's capacity to use lessons learned from close monitoring of the effects and follow-on steps taken by recipients of demand-led technical assistance to improve the overall demand-led model.

SADC

At the policy and strategy level, EC interventions are well related to regional and national development frameworks and anchored in the mandated institutions. This provides good prospects for coordination with other donors. The result is that aid modalities are radically changing in many of the SADC countries, with the expansion of sector-wide approaches and sector budget support, as well as the implementation

of the Paris Accords. These changes in development co-operation are likely to affect regional development cooperation positively in the medium-term, as it promotes longterm policy and strategic considerations, which in all probability will include the need for inter-, and intraregional co-operation.
Central America
La estrategia regional de la CE y la estrategia de integración y desarrollo de América Central muestran un alto grado de sintonía si se atiende a los objetivos declarados en los distintos documentos programáticos de la CE, en particular los vigentes entre 1998 y 2006, cuando se comparan con la agenda de integración de Centroamérica.
MEDA
All interventions analysed in this evaluation clearly relate to the Barcelona process and adequately fit within its objectives and directions. Regional interventions have aimed at stimulating dialogue and establishment of networks around themes of common interest to the MPC. Their identification has been the object of high level consensus among the MPC. At implementation level ownership was limited when/if they were not perceived as a response to national priorities.
West Africa
Ni l'UEMOA ni la CEDEAO ne disposaient de documents de stratégie qui auraient pu servir de référence au travail de la Commission Européenne. C'était encore le cas lors de la préparation du document de stratégie et du PIN 9ème FED, mais l'UEMOA avait alors elle-même entrepris de développer son propre document de stratégie, le Programme Economique Régional (PER), qui ne sera toutefois finalisé et adopté qu'en 2006. Le fait est que l'on peut relever de très fortes convergences entre la stratégie régionale de la Commission Européenne pour le 9ème FED et le PER de l'UEMOA. En particulier, les résultats attendus de la mise en oeuvre du PIR 9ème FED sont autant de contributions à la réalisation des objectifs stratégiques du PER. Ce n'est par contre que tout récemment que la CEDEAO a entrepris à son tour de se doter d'un document de stratégie publié en 2007.
Moldova
Additional documentary research and interviews held during the field mission has confirmed that EU assistance for trade and the economy was relevant to Moldovan needs and in line with longterm strategies adopted by the EU and the GoM.

4.1.1.3 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

SLV
According to the final evaluation and to the stakeholders, the main reasons for the lack of success of FOMYPE, at a global level, are the following: □ The lack of an identification study impeded benefiting from adequate data on the universe and characteristics of the beneficiaries and hereby better targeting the intervention; □ The lack of a precise targeting led to a contradiction between the objectives and methods of the project rather directed towards the small and medium enterprises and the supposed beneficiaries which should have been the micro enterprises. The absence of a mid term evaluation did not permit to correct this problem – and others- on time; □ The complexity of the contracting procedures imposed important delays since the beginning of the project, and thus created strong incentives to deliver the easiest services rather than the most necessary; and □ Management problems were pervasive due to the lack of a qualified pool of local and regional experts.
Trade.Com FA
Positioning of Trade.Com in the trade support arena was the primary determinant of the Activities which the programme chose to focus on. Based on documentation reviewed and discussions with EC, ACP and Trade.Com officials, consideration of strategic design options was mainly driven by the mapping of ongoing and planned TRA programmes on all-ACP, regional and national fronts. It also included identification of collaboration and leveraging opportunities emerging from the trade-related technical assistance landscape for Trade.Com. This process was critical to defining where the strategic gaps were, what the Facility should do, and how it should best enter and interact with existing, ongoing and new programmes in such a complex but mainly donor-driven TA environment.
Central America
Ambas regiones están comprometidas con un modelo de integración que trata de promover, por un lado, mercados más eficientes y una mayor competitividad internacional; y, por otro lado, mayor cohesión social y territorial. Existe también un alto grado de consenso respecto a los medios y la secuencia para

alcanzar esos objetivos, como revela el desarrollo del diálogo de San José y otras instancias del diálogo político, y en particular, sobre el perfeccionamiento de la zona de libre comercio, la culminación de la unión aduanera, los avances hacia un mercado interior, el diseño y aplicación de políticas comunes, y el fortalecimiento de las instituciones regionales.

MEDA

Nearly all bilateral interventions examined in this evaluation are responses to partner demands and are embedded in its political priorities. The quality of the analysis underlying the selection of interventions is difficult to assess owing to limited institutional memory. Some evidence, however, is emerging: most interventions have been prepared through studies, joint seminars and workshops; budget support interventions, particularly those addressing structural reforms and reform of the public finance systems, benefited from deeper and continued analysis during the implementation process.

4.1.1.4 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

Central America

Modelo de integración que trata de promover, por un lado, mercados más eficientes y una mayor competitividad internacional; y, por otro lado, mayor cohesión social y territorial. Existe también un alto grado de consenso respecto a los medios y la secuencia para alcanzar esos objetivos, como revela el desarrollo del diálogo de San José y otras instancias del diálogo político, y en particular, sobre el perfeccionamiento de la zona de libre comercio, la culminación de la unión aduanera, los avances hacia un mercado interior, el diseño y aplicación de políticas comunes, y el fortalecimiento de las instituciones regionales.

Namibia

The designs of the trade-related programmes or programme components have generally taken into account the key challenges in regional integration and trade to promote poverty reduction. The NASSP, though problematic as a rural development programme, incorporated trade policy development within its support to agriculture and sought to develop and commercialise indigenous plant resources – resources to which the poor have relatively greater access than to livestock.

4.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

Comments / summary

- In general, responsiveness to changing circumstances seems to be good
- When looking at flexibility / adjustment capacity to changing circumstances, the (lack of?) monitoring has to be taken into consideration which (does not) allow(s) for a substantiated adjustment of the design

4.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

DOM

Important changes in the economic situation in the DR over the decade has brought a stronger focus by the EC on the DR's economic policy-making and its implementation, and EC leverage increased significantly as it evolved from micro level interventions under EDF8 to macro and meso levels interventions in the EDF9 and most particularly EDF10. At the same time, the EPA negotiation process added content to this approach. As a result of such evolving EC agenda in DR, support to trade and competitiveness-related stakeholders have incurred some overlapping activities with the increased risk of duplication.

Central America

La estrategia regional de la CE y la estrategia de integración y desarrollo de América Central muestran un alto grado de pertinencia y sintonía, en particular las vigentes entre 1998 y 2006. A pesar de que en el período evaluado ha habido cambios importantes en la agenda regional centroamericana y en la capacidad de las instituciones regionales para formular tal agenda, la estrategia se ha adecuado, por la mayor parte, a estos nuevos escenarios y cambios en la agenda regional, y ha actuado con una gama variada de instrumentos económicos, sociales y políticos.

4.1.2.2 I1.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

Trade.com
Trade.Com success can be attributed to a simplified demand-led facility to provide access to technical assistance based on critical needs of stakeholders and beneficiaries. However: As designed, the combination of demand-led activities (components 1 and 3) and more structured institutional support created considerable flexibility for TCB implementation (component 2) would have allowed Trade.Com to address stakeholder-specific support as well as critical issues as they emerged. However, the lack of integration of an internal M&E mechanism, especially for the demanded components was a design deficiency that compromised the Facility's capacity to use lessons learned from close monitoring of the effects and follow-on steps taken by recipients of demand-led technical assistance to improve the overall demand-led model.
West Africa
CEDEAO: Une étude de la documentation a confirmé que la CE n'a pas ajusté son soutien dans le domaine du Développement Institutionnel en fonction des audits.

4.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

Comments / summary
<ul style="list-style-type: none"> • Deficient monitoring set up and implementation is striking • Information sharing across "project borders" deficient in some cases • Trade.com seems to be a good case in point for both findings • Difficulties in setting up strategic priorities and subsequently following these in a traceable way seems to be evident

4.1.3.1 I 1.3.1 - Increase of EC TRA flows to the government sector that is reported on partners' national budgets

No evidence found in reports
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4.1.3.2 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

Trade.Com
With regard to the dissemination of best practices, Trade.Com's three components did not contribute significantly to this output <i>outside of the country- or REC-specific framework of intended beneficiaries</i> . Although best practice outputs were generated (training manuals/toolkits etc.) they were not readily accessible to (all) ACP States and stakeholders. Consequently, there was effective information circulation at REC and

country level but there was minimal evidence of the sharing of best practices amongst ACP States on a structured basis. There was considerable information-sharing at meetings and at workshops where extra-regional participants were involved but there was no organized commitment to making best practice information available across regions.

MEDA

The institutional set-up of in particular large TA programmes was often inadequate: large TA programmes (€20m and more) intended to contract the full commitment over three years (D+3 rule) have most of the time exhibited significant slippages in implementation. This reveals a potential contradiction between large-scale TA programmes and the D+3 rule. The starting phase of these programmes often proved time-consuming. The following factors usually prevent the programme from finding a normal “cruising speed”: weaknesses in design, difficulty in setting up the PIUs/PMUs and in identification and recruitment of the appropriate technical experts, frequent changes of experts, divergence of views between the PIU/PMU and Delegation, and others. These delays in the starting phase reduce the effective implementation period and have a demotivating effect on the beneficiary, which hampers the success of the programmes.

4.1.3.3 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

No evidence found in reports

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4.1.3.4 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”

BFA

Le contrôle et la mesure des résultats restent trop faibles et ne permettent pas e suffisamment en évidence les liens entre les politiques choisies, les stratégies mises en œuvre et les interventions financées résultats observés de celles-ci. La mesure appropriée et pertinente des résultat quantitativement. Les faiblesses proviennent manque de pertinence dans le choix de certains invariance temporelle ou géographique de ceux-également trop faible pour réellement mettre en les résultats réellement obtenus. To EU Delegation: More effort should be put into monitoring the effectiveness of training and capacity-building components of projects in all sectors. It is insufficient to just document the output of these activities (number of officials trained, etc.). In many cases, it is not clear how trained stakeholders (both with regards to Government and Civil Society) use the newly acquired knowledge and skills within their respective organisations and, thus, how capacity building is related to overall project outcomes/results.

(Partners have)...acquired knowledge and skills within their respective organisations and, thus, how capacity building is related to overall project outcomes/results.

Trade.Com

Two major shortcomings were identified by the evaluators: 2) limited follow-on monitoring of beneficiary ownership, capacity and progress in implementing recommendations or outputs of the Facility’s demand-led interventions.

Planned monitoring and (internal) evaluation arrangements were inadequate at the design stage. There was no evidence of provision made in the LF for establishing a Monitoring and Evaluation (M&E) system to track the effectiveness, impact and lessons learned from the demand-level model – a critical factor in refining implementation and improving overall effectiveness over the life of the Facility/programme.

In terms of the second shortcoming, the failure to establish a Monitoring and Evaluation (M&E) system aimed at careful monitoring of the use of knowledge imparted and follow-on implementation of recommendations generated from TRTA provided under Components 1 and 3 meant that Trade.Com’s demand-led service was operating in an environment in which it could not refine the model (from lessons learned) to improve effectiveness and sustainability prospects of the TA outputs. The absence of the

M&E system also meant that the success of follow-on implementation activities was dependent on localised circumstances and the benefits of such successes could not inform the design or subsequent use of Trade.Com resources. A related deficiency was that, for the most part, Trade.Com reports treated outputs as results (i.e. studies, drafted laws and briefs, training manuals etc.). However there was no monitoring of the use of these resources by beneficiary countries and institutions.

The lack of integration of an internal M&E mechanism, especially for the demanded components was a design deficiency that compromised the Facility's capacity to use lessons learned from close monitoring of the effects and follow-on steps taken by recipients of demand-led technical assistance to improve the overall demand-led model.

However, while notable Best Practice work was done, this activity, especially access to generalisation of trade impact assessments, and access databases on experts, projects and studies, was not as effectively coordinated as it could have been.

The general and specific objectives reflect the expected outcomes of effective trade capacity building (economic growth and poverty reduction). The overall objective is extremely ambitious since quantitative objectively verifiable indicators (OVIs) at the general objective level (e.g. increase in ACP export share in world trade) can be influenced by many other factors including private sector-related capacity issues. Progress towards the specific objective (purpose) was feasible. The expected results are appropriate indicators for determining the extent to which the purpose is likely to be achieved. The OVIs associated with the general objective will be difficult to substantiate. However, the OVIs at the Specific Objective (purpose) level could be substantiated by proxy evidence from all-ACP, regional and national sources.

At the Results level, the OVIs were relevant but perhaps too broadly defined. They were not specific, quantified, time bounded, nor evolving during the course of the programme. This would have made it difficult to utilise the OVIs as a management tool. Further, some sub-results could also "qualify" as OVIs⁶. There were no targets, milestones or outputs, at the Activity level partly because of the Facility's demand-led TA approach and partly because outputs were subsequently defined in the PMU Programme Estimates (PEs) and in Comsec and OIF work plans. Prerequisites for assessing critical OVI changes at the Results level could have been established as initial outputs e.g. the development of baseline information on existing a) analytical capacity, b) participation in international trade negotiations, c) existing institutional capacity and d) coordination mechanisms for related trade assistance.

MEDA

Effectiveness of interventions should be assessed at two levels: 1° the degree to which the reforms mutually agreed and supported by the Commission have been formally conducted, and the degree to which the TA programmes and projects have delivered their expected outputs; 2° the outcomes and impacts on the beneficiaries. On the first criterion results were positive but there is no clear assessment of the outcomes since most interventions have been designed without factoring-in the means of measuring their effects on the final beneficiaries.

ROM and evaluation missions are conducted in the field and provide information compiled in reports. There is however no evidence that the information provided by the MR is used, in particular by the beneficiaries who have no systematic access to these reports.

The strategic content of the CSP is generally limited because of the difficulty of drafting a document that is simultaneously selective (that is focusing on a limited number of sectors) and yet sufficiently open to allow flexibility over the whole programming period. CSPs identify priority areas of interventions linked to the overall objectives of Barcelona and the AA. However they do not analyse how and to what extent the resources proposed are expected to contribute, over the period of their deployment, to the reduction of the internal constraints.

No general conclusion can be drawn for TA and twinning projects and programmes but most interventions analysed (cf. annex 6) point to satisfactory delivery of expected outputs, although with no clear evidence on the outcomes.

Recommendations:

Factor measurement of outcomes better into the design of Commission interventions. Do not exclusively monitor the reform process but also verify the outcomes of the reforms. Conduct ex post evaluations to assess the impact of the interventions.

Allow more time for the analysis underlying the technical preparation of interventions: conduct ex ante impact assessment, jointly with the partner; take account of the partner's perceptions.

West Africa

Les « stratégies » définies dans les PIR du 9^{ème} FED sont largement insuffisantes pour bien définir les résultats et les effets escomptés des programmes régionaux. Les resultants spécifiques attendus et les références de base (*baselines*) étant peu définis, l'impact des programmes de la CE ne peut être quantifié ou encore bien décrit. Sur ce point, une grande partie des activités entreprises en gestion-monitoring ont servi principalement à répondre aux besoins de la CE.

Les rapports que nous avons examinés nous laissent croire que la CE ne s'est pas dotée de systèmes de gestion qui lui permettrait de faire le suivi (sur une base de résultats) du développement institutionnel des instances d'intégrations régionales en Afrique de l'Ouest.

4.1.3.5 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

No evidence found in reports

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4.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

4.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

Comments / summary
<ul style="list-style-type: none"> • Modality selection seems to be only partially well-founded • Evidence of high administrative/procedural burdens under project approach and contribution agreement approach lets to the conclusion that disbursement rate has been reduced under project approach in some cases • Administrative/capacity bottlenecks in ACP countries restrict appropriate use of some modalities • Experience under MEDA II (with increasing disbursement rates) seems to be a good case in point to assess under which circumstances disbursement rates can be increased

4.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

PHL
<p>In the Philippines, as elsewhere, the EU has moved from a project approach to sector –based support and participation in multi-donor initiatives including trust funds, in line with its Paris Declaration commitments. A rich mix of approaches and instruments has been used. We conclude that, by and large, the EU's mix of financing instruments and aid modalities has been appropriate to the national context and EU cooperation objectives.</p>
MEDA
<p>The rationale for using a particular modality is not always explicit and clearly spelled out. It is not explained why some interventions are conducted as BS rather than TA or <i>vice versa</i>. There is no demonstration that the one chosen is the most suitable for the objective pursued.</p>

4.2.1.2 I 2.1.2 – Disbursement rate by aid modality

IND
<p>The EC-funded projects and programmes in this sector have generally been relevant at design stage, but were affected by procedural and administrative delays, which reduced relevance and impact. Improved performance of more recent projects suggests that these constraints are being addressed. Common performance-related problem has been the “inappropriately high level of bureaucracy inherent in the award of grants utilising the EC's Practical guide to EC External Aid management and the original design faults of the programme. More direct support to EU and India companies has been provided through support to the Council of European Union of Chambers of Commerce in India (CECCI) and by funding the establishment and operation of a European Business Investment Centre (EBIC, financed from Asia Invest funds) from 1995 till 2002. The fate of EBIC illustrates the difficulties in providing support to businesses, as several member states are doing exactly that on a fee basis. These member states were critical of the services rendered both by EBIC and CECCI, which they considered, partly at least, to be competitive with their own services.⁸³ Also, CECCI became involved in managing Asia Invest projects and gradually attention from the core objective of serving their members shifted towards managing EBIC and Asia Invest projects.</p>
MEDA
<p>Diversity and complementary of modalities have positively influenced efficiency (and effectiveness). Under MEDA II several instruments have been deployed: traditional TA programmes, BS, twinning, Commission funds made available to the EIB. They have been managed in complementarity with non-MEDA budget lines operated by the Commission (EIDHR, etc.) and with the EIB using own funds for investments in infrastructure and private sector support. Twinning, as a system permitting institutional technical assistance and transfer of know-how between MS and MPC institutions, has generally been</p>

positively assessed. Conversely, the inappropriateness of the institutional set-up of large TA programmes generally entailed a reduction of the period left to contract, hereby leading to massive decommitments for several programmes.

Overall there has been clear progress in formulation and swifter implementation. Compared to MEDA I, disbursement rates are considerably higher. This is evidently a result of the extensive use of BS but not exclusively so since the disbursement rates for non-BS interventions have doubled in MEDA II as compared to MEDA I. This reflects improvements in the absorptive capacity of the beneficiaries, implementation mechanisms and Commission procedures. In that respect the devolution of programme management responsibilities to the Delegations and the increased use of BS as an instrument to support reforms played an important role. Globally, the increased use of budget support can be considered as positive in terms of efficiency. Indeed, BS favoured stronger ownership and involvement than under traditional TA programmes and gave rise to policy dialogue on the reforms supported. Conversely, large TA programmes experienced difficulties which led to massive decommitments in exceptional cases. The twinning modality presents promising prospects and has been generally well appreciated by the partners despite the length of time needed for its preparation.

West Africa

Les procédures FED sont jugées excessivement lourdes par les bénéficiaires. Les Conventions de Contribution, dont on attendait qu'elles permettent une coopération de caractère plus stratégique entre la Commission Européenne et les organisations régionales, ne répondent que très imparfaitement à cette attente. La lourdeur des procédures et les difficultés inhérentes à la coopération dans un cadre régional ont pour conséquence une exécution très lente des programmes.

La complexité des dispositifs de mise en oeuvre des programmes a pour conséquence d'importants retards de mise en oeuvre. Le cas du PARI 2 est très illustratif de cette situation. Les lettres du PARI ont été adoptées par les Etats participants avec des retards allant de 3 mois (Mali) à 24 mois (Côte d'Ivoire) sur le calendrier initialement prévu. Les délais se sont encore allongés par la suite puisque les premiers devis programme ont été transmis avec des retards allant de 9 mois (Niger) à 46 mois (Togo). En dépit de ces retards il n'y a pas d'exemple où les ressources allouées à une intervention aient dû être augmentées en cours d'exécution. Au demeurant, les procédures FED ne permettraient que très malaisément la révision de l'enveloppe budgétaire allouée à un projet ou programme. Dans la pire hypothèse, s'il apparaît que le budget prévu (y compris les provisions pour dépenses imprévues qui sont incluses dans les budgets des projets d'infrastructure) ne permet pas d'exécuter l'ensemble des activités projetées, la solution est recherchée dans une révision à la baisse des ambitions du projet plutôt que dans une augmentation de son budget.

4.2.1.3 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

BFA

Les difficultés de passage d'une approche « projet sectorielle, financée ou négativement observées dans le secteur privé et au secteur »

IND

Past experience would nevertheless suggest that complex multi-ministerial interventions, as well as interventions primarily driven by Europeans, can reduce both effectiveness and impact.

West Africa

Les programmes régionaux ont quand même souffert d'un manque important de gestion stratégique et opérationnelle, largement dû aux lourdeurs des systèmes internes de la CE et de l'asymétrie entre les besoins en ressources humaines nécessaires à une gestion adéquate et la disponibilité de celles-ci dans les postes de gestion.

4.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

Comments / summary
<ul style="list-style-type: none"> • Experience with GBS/SBS seems to have positively influenced TRA objectives' achievement in general • GBS/SBS seems to have increased ownership and sustainability • GBS/SBS seems to have improved the policy dialogue

4.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

MEDA
<p>BS interventions conducted under MEDA II have generally focused on monitoring the good implementation of the reforms supported. This proved effective and was appreciated by the partner because it gave visibility and credibility to its reforms.</p>
Uganda
<p>Macroeconomic Support (GBS) is now a main component of EC's contribution and absorbs about 38% of the "A" Envelope of the 9th EDF (€92 million). The EC's contribution under the general budget support (GBS) enables the GoU to directly fund the poverty eradication priorities identified in the PEAP. The evaluation team has found that the EC has implemented its support to economic reforms in a manner consistent with existing or upcoming programmes of EU Member States and has aimed at synergies with the EIB investments. (GBS provided by EC is aimed at maintaining macroeconomic stability, the strengthening of public finance management, and the implementation of the poverty reduction agenda).</p> <p>The EC's interventions in the framework of Budget Support have been provided on time, corresponded to the envisaged inputs, and have been appropriate as regards Uganda's political, economic and institutional context; however tranches were not fully disbursed due to inadequate levels of achievement of performance indicators.</p>

4.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

MEDA
<p>The increased use of BS as an instrument to support reforms proved globally positive in terms of efficiency except in some interventions where there had been insufficient preparation and awareness raising of the partner. It allowed more space for policy dialogue resulting in improved ownership. It introduced continuity in the support of the reforms and the gradual building-up of a cooperative dialogue on politically-sensitive issues. It also simplified management for the partner who could use its own procedures. When it was conducted in coordination with other multilateral institutions it permitted an efficient blend of competences beneficial to the partner.</p> <p>Budget support interventions have been particularly favourable to ownership and sustainability. They supported reforms often initiated by the partner and embedded as priorities in its political programme. These reforms benefited from a major financial effort of the MPC and, therefore were well appropriated; the supplementary resources of BS interventions were welcome but not the main incentive. BS interventions also favoured continuous involvement of both donors and partners and induced a policy dialogue on the reforms supported. They reinforced the capacity of the institutions supported, thereby allowing them to use and benefit from the management and evaluation tools introduced. However, the sustainability of the policies supported by BS interventions will depend on their acceptability by the population. The elements of fragility of specific MPC economies threaten the political acceptability of the government development model if welfare conditions cannot be maintained.</p>

Uganda

The overall assessment of the EC's budget support is positive. PGBS has been an effective means of promoting macroeconomic stability whilst maintaining poverty-oriented expenditures by the GoU at a higher level than would likely have been the case. There exists some evidence that - by providing additional technical institutional support and by maintaining a permanent policy dialogue at the technical level – the EC has positively influenced the implementation of institutional reforms and improved PFMs (at national and local level).

4.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

BFA

L'appui budgétaire général de l'UE a permis à l'UE de jouer un rôle leader, exerçant un effet d'entraînement sur les autres partenaires techniques et financiers (PTF) et sur les réformes entreprises par le gouvernement. L'ABG de l'UE a contribué à renforcer la qualité du dialogue sur les politiques entre le gouvernement. Accroître les capacités de dialogue et de communication du personnel de la DUE en charge du dialogue politique et sectoriel et consolider les capacités à capitaliser les expériences et leçons apprises.

In concrete terms the EC wishes to continue what has been done in the past but is asking for more focused and results-oriented political and sectoral dialogue. A comprehensive range of sector dialogues has been implemented since 2001 and, as evidenced by new dialogues on trade and sustainable development, the employment, labour, social, and environmental aspects of trade, this range continues to expand. Sector dialogues include: Customs, Economic and Trade WG, TBT, Intellectual Property, SPS, Textile Trade, Trade Policy. EUD staff: level of trade-related sector expertise reflects that.

MEDA

BS allowed more space for policy dialogue resulting in improved ownership.

Uganda

EC's political dialogue and its substantial and constant levels of financial support in form of GBS have contributed to maintaining macroeconomic stability and promoting investments in pro-poor expenditures (PPE), as well as improved planning and public finance management. However it is difficult to quantify the exact contribution to sustainable economic growth and social development.

4.2.2.4 I 2.2.4 Indicators agreed are focussing at appropriate levels and based on robust methodology to address the desired outcomes

MEDA

The use of matrices of conditions agreed with the partner's authorities to trigger the disbursement of successive tranches was well accepted by the partners and proved an effective way of monitoring the advancement of reforms during interventions supporting complex systemic policies.

Disbursement of the successive tranches of the *budget support interventions* is conditional on fulfilment of the conditions included in the matrices negotiated with the partners at the outset of the operations. In the overwhelming majority of cases the conditions are verified by process indicators closely and periodically monitored by the Commission and other donors participating in the support. However, due to the complexity of the reforms supported, to the time needed to achieve their outcomes, and to the difficulty of attributing these outcomes to Commission support, *the monitoring of BS interventions was based on the verification of the adoption of the reforms rather than on their results*. It is therefore difficult to assess the extent to which the reforms undertaken produced their expected outcomes and impacts but there are examples of several interventions pointing in that direction.

4.2.3 JC 2.3 - Use of project approaches and global channels (e.g. International Organisations) has contributed to delivering on TRA objectives

Comments / summary
<ul style="list-style-type: none"> • Experience with project approaches is mixed and can apparently only be judged on a case-by-case basis (depending on a variety of factors such as quality of experts' teams etc.) • Appropriation seems to be a challenge and capacity of absorption notably related to large projects

4.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

BFA
Utiliser les approches « projets » pour préparer les conditions de mise en place of SBS and overcome sector bottlenecks due to lack of appropriate sector strategies.
DOM
The evaluation also found that while each mechanism or modality responded well to a stated need, effective use of the links and leverages that might be possible between them was not always sought out, or at least not documented. There are notable exceptions such as EDF-based programme for CSO development and thematic lines dealing in topics executed by NGOs. However, programming and operational documents rarely refer to more than one of modality or instrument at a time and do not develop mixed-mechanism or mixed instrument interventions.
Trade.com
The inputs/planned activities were well-matched with the OVIs and expected results; the design carefully considered what niche opportunities were critical and urgent. Initial PMU implementation was unsatisfactory but improved substantially after the 3rd Team Leader took over in 2008, 42 months after the PMU services contract had been awarded. Since then activity management has been markedly improved. The quality of management, support personnel and technical resources deployed for demand-led interventions is high and commended by beneficiaries and stakeholders at institutional and country level. The H&S component was well-organised and set up by Comsec and overall, activities and outputs have exceeded targets set by both Comsec and OIF – although OIF experienced management and start up difficulties which it has since successfully resolved.
MEDA
Many large traditional TA programmes proved over-dimensioned and suffered from a lack of ownership. Their overambitious design, in terms both of size and of objectives, and the absence of the definition of an exit strategy, have been major impediments. Neither has their management through PIU/PAO guaranteed their viability. Regional programmes were designed with limited local involvement and were not conducive to appropriation of their results during implementation by Mediterranean partners. In countries where budget support was not possible large assistance programmes proved difficult to implement for accompanying reforms.
Nigeria
Ownership problems in project implementations were persistent owing to lack of involvement of beneficiaries in programming. This contributed to delays in programme implementation, which reduced the positive impact of the EC intervention in respect of regional integration and trade.

4.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

No evidence found in reports
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4.3 EQ 3 - To what extent has the Commission's TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

Central Africa
L'appréciation de la prise en compte des trois C dans la stratégie régionale de la CE en Afrique centrale n'est pas satisfaisante . La coordination des activités pose des problèmes, et la coordination interne, notamment, démontre des faiblesses. De plus, la coordination entre les bailleurs de fonds de l'Union Européenne et autres est surtout informelle et ne correspond ni aux normes prévues dans la déclaration de Maastricht sur les trois C ni à la Déclaration de Paris sur l'harmonisation, l'alignement et la coordination. La complémentarité entre PIR et PIN est surtout théorique et reste à améliorer dans la pratique.

4.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key development and trade-related policies

Comments / summary
<ul style="list-style-type: none"> • Evidence shows a varied picture whereby an overall (regional) policy framework (such as Association Agreements) seem to be highly favourable for targeted TRA • Indicators 3.1.1 and 3.1.2 seem to be difficult to assess in its current form – has to be clarified by expert team • It is suggested to replace Indicator 3.1.2 by a general policy dialogue indicator • Policy dialogue seems to well functioning in MEDa countries, but not in EDF countries - in the latter the coherence of TRA seems to be limited • NSA participation seems to be limited – especially at a regional level

MEDA
<p>Background – Barcelona process – pillar 2: an economic and financial partnership to create an area of shared prosperity in Association Agreements (AA) concluded with all MPC and providing for a regular political dialogue in all fields; establishment of the conditions for a gradual trade liberalisation (with the concrete objective of establishing a Free Trade Area between the EU and each MPC by 2010). The second pillar of Barcelona is undoubtedly a driving force since national policies aim increasingly at opening-up of the economies and are concerned with the competitiveness of domestic enterprises, notably <i>vis-à-vis</i> the EU that is a major trade partner.</p> <p>The identification process for interventions does not demonstrate that proposed measures are strategic priorities aimed at alleviating the internal and regional constraints that are the major impediments to the realisation of the Barcelona objectives. The demands for support from the MPC are more driven by their domestic policies and reforms.</p>
West Africa
<p>Par contre, la CE a mis en place des mesures qui devraient améliorer la clarté et la performance de la stratégie générale pour la région, y compris des composantes importantes de gestion de la prévention des crises et l'appui à la région pour les négociations APE. Dans cette ligne d'idées, la CE n'a pas su coordonner de façon assez efficace les différentes parties prenantes impliquées dans le programme: les délégations de la CE auprès de la CEDEAO et de l'UEMOA (et leurs experts/gestionnaires), les ONG et les délégations dans les divers pays dans la région. La cohérence est faible entre la stratégie régionale de la Commission et ses stratégies dans les Etats membres de la région. Cette situation est clairement illustrée par le fait que sur un ensemble de 14 documents de stratégie nationale, six seulement font référence au processus d'intégration régionale. De surcroît, parmi ces six documents, deux n'en tirent aucune conséquence quant aux secteurs d'intervention retenus dans le PIN.</p> <p>La documentation semble montrer une fracture entre les stratégies et programmations aux niveaux régional et national, mettant en question la capacité et les engagements des parties prenantes à travailler à l'intérieur (et dans l'esprit) du cadre de leurs traités. Cette observation doit être considérée en parallèle</p>

avec notre analyse quantitative qui démontre qu'au moins au niveau des documents de planification stratégique les niveaux nationaux et régionaux de l'appui de la CE semblent être complémentaires, mais que dans la pratique cette complémentarité n'existe que marginalement et prend la forme d'une « division du travail » et non pas d'une « complémentarité ».

Trade.com

Trade.Com remains closely aligned with both existing and evolving EC strategies: its overall objective and specific objective/purpose mirror the Commission's cooperation strategies with individual countries under the 9th and 10th EDFs, which, in turn, are aligned with national development strategies as formulated in Poverty Reduction Strategy Papers or their equivalents. The programme is aligned with the updated EC development policy of 2005, "The European Consensus on Development" and the Commission's 2008 updated policy on regional integration in which it confirmed its view that regional integration, specifically in relation to ACP countries, was essential to increasing economic growth and reducing poverty. The Communication proposed focusing EU support on strengthening regional institutions, building regional integrated markets, supporting business development and connecting regional infrastructure networks. At country level, there is coordination of TRA between EU and MS and there are similar processes in place at regional levels.

Central America

The EC regional co-operation in Central America shows a high degree of continuity regarding objectives, priorities and intervention sectors. Concretely, the overall objective consisted of supporting the peace process, as well as reconciliation, democratization, and social and economic development. The strategy combined both support to regionalism – i.e. support to institutions and to regional policies – and support to "bottom-up" regionalization dynamics prompted by the civil society. The priority areas were: supporting integration, and particularly strengthening the customs union, common policies, and regional institutions. Simultaneously, support was given to enhance civil society participation in the integration process.

4.3.1.1 I 3.1.1 Evidence of appropriate and effective mechanisms in which economic, social and environmental impact of EU trade policy on developing countries are taken into account

No evidence found in reports

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4.3.1.2 Evidence of effective political and policy dialogue

Political dialogue – Policy dialogue: what is the difference?

Dialogue is at the root of the cooperation policy of the Commission with third countries. The nature and intensity of the dialogue are crucial dimensions of the quality of the partnership and a major determinant of the success of the cooperation entered into with the partners.

Political dialogue is conducted between the partners by interlocutors that represent their respective populations. Its purpose is to agree on issues of common interest with a view to setting common objectives and the political directions of the reforms necessary to achieve them. It encompasses purely political issues such as *inter alia* conflict resolution, democracy and rule of law, and migration, but also economic issues such as participation in the multilateral trading system, negotiation of access to markets, and others.

Policy dialogue is more instrumental. It is conducted at an operational level between the administrative and technical services of the partner administrations and is aimed at identification of and agreement on the policy measures that need to be implemented in particular fields in order to move in the prescribed political directions and achieve their intended objectives. It mainly takes

place in the spheres of economic and social policies.

Although the political dialogue is higher-level given that it takes place in the context of the sovereignty of each participant, one cannot speak of a strict hierarchy between the two types of dialogue. The policy dialogue will often have implications at the political level and interaction is indispensable.

Liberalisation is an example that illustrates the distinction. The decision to move a country from an administered to a market economy is political. It can be adopted by a country outside the cooperation framework; it can also be part of a political agreement, as in the AA concluded between the EU and the MPC. The practical policies to be implemented (adaptation of exchange rate policy, tariff dismantlement, privatisation, etc.) are the object of the policy dialogue between administrations specialised in these different issues. Clearly these administrations have to refer to their political authorities but the policy dialogue does not call into question the directions agreed within the political dialogue.

MEDA - compared to other regions

The Barcelona Process is a **politically driven** process aiming at establishing a partnership at **the level of the Mediterranean Basin**. It provides a unique framework for deepening political dialogue. It is formalised at multilateral/regional level through Ministerial conferences, the Euromed Committee and Euromed working groups that promote dialogue between the EU and the MPC and at bilateral level in a set of **Association Agreements** that provide for specific arrangements. The AA have a quasi-equivalent in the ENP East countries, namely the **Partnership and Cooperation Agreements** (PCA) but are not paralleled in the ACP or other cooperation regions. They create a framework for undertaking political and policy dialogue independently of and prior to financial assistance from the Commission, whereas in the ACP and former ALA regions the financial assistance is the main point of entry for policy dialogue. These characteristics of the cooperation with the MEDA countries are important because they offer the Commission leverage and opportunities that it lacks in other parts of the world and which is not available to non-EU donors. In particular they give the Commission a legitimacy which enables it to discuss the political direction and policy substance of reforms prior to and outside the framework of the financial assistance provided to undertake them. This has major implications for cooperation with the MPC. In other regions the financial assistance is a means of negotiating and supporting reforms and of acquiring a right to engage in policy dialogue. In the MEDA Region financial assistance is, at least in theory, a way of supporting reforms that are politically backed up by both partners. In that context it is the encompassing political dialogue, not the provision of financial assistance, which provides the legitimacy and direction for the policy dialogue on the more technical issues. Therefore the country and regional strategies that prepare the ground for the assistance programmes funded by the MEDA II budget line are encompassed in and subordinated to the broader political dialogue of the Barcelona process, which should impart to them a particular strength.

4.3.1.3 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

PHL

EU dialogue with civil society on strategy and CS involvement in the cooperation programme itself is seen as exemplary. The series of MTR consultations that the EU Delegation held with CSOs in 2009 is a case in point. It should also be mentioned here that – in a focus group meeting – CSOs, expressed their satisfaction with the scope and quality of EU-CSOs consultations that took place prior to the drafting of the CSP 2007-2013 and in the process of the Mid Term Review.

Trade.com

The EC and the ACP should develop an Institutional Development for Trade Strategy (IDTS) that specifically addresses sustainable trade capacity building at REC and ACP levels. The rationale behind

this recommendation is that trade-driven economic growth can only be realised if the current momentum, partly instigated with Trade.Com support, other all-ACP programmes, and on-going regional integration support, translates into competent and adequate institutional and organisational trade management services, which continue to be extremely ineffective in most ACP States. Since coordination of EU TRA implementation at the country and REC levels is also weak (cf. the Court of Auditors report and the OECD/WTO Momentum report) we propose:

1. That executing agencies of EU, member state and multilateral TRA programmes should establish joint REC / donor coordinating committees for TRA in each region (regional trade coordinating committees – RTCCs) that would ensure the formulation of the regional ID strategies which would draw upon the experience of its members as well as the institutional knowledge accumulated by the entire Facility over the past 5 years. Implementation of the strategy would be coordinated between the EUD and other donors and agreed with the RECs / Trade Ministries and NAO / RAO. It would be based on a detailed needs assessment and would follow a logical framework / PCM approach.
2. To build capacity for implementation of regional strategies each Regional Trade Coordinating Committee (RTCC) would establish a programme for human resource development to create a body of regional expertise in trade related assistance (TRA) and regional integration (RI) through support to institutes of higher learning (IoHE), centres of excellence / think tanks, specialised training programmes and service provider organisations. The programme would be closely integrated with the implementation needs of the institutional development (ID) strategy and be based on clear management objectives, outcomes and targets and conform to the Paris Declaration guidelines on project management.

According to the ACP Secretariat, the role of Trade.Com stakeholders in design was limited to REC representation at the all-ACP level in Brussels.

SADC

There is clear compatibility between the RSP/RIPs and SADC's own RISDP. However, the extent of Member State participation, and the participation of non-state actors in the planning process, is limited at best. Documentation, studies and the field visit suggest that there is a gap between regional policy statements and national level commitment to implement them; in addition, in many of the SADC countries, non-state actors have been marginalised and their role in the national and regional political debate is minimal.

Central America

Por otra parte, pareciera que la voluntad política de la CE de apoyar la participación de la sociedad civil se ha enfrentado a la actitud renuente de los Gobiernos centroamericanos, reacios a admitir a otros actores que no sean los propios Estados o las organizaciones internacionales.

West Africa

La représentation de la société civile à l'échelle de la région Afrique de l'Ouest reste embryonnaire. Depuis 2003, un Forum de la Société Civile d'Afrique de l'Ouest (FOSCAO) s'est constitué auprès de la CEDEAO. Par ailleurs, les chambres de commerce des pays de l'UEMOA se sont dotées d'une représentation régionale, la Chambre Consulaire Régionale de l'UEMOA. Ni le FOSCAO, qui d'ailleurs n'existait pas encore à cette époque, ni la Chambre Consulaire Régionale de l'UEMOA n'ont été associées à la préparation de la stratégie régionale de la Commission Européenne pour le 9ème FED. Par contre, il est prévu que la société civile soit invitée à participer aux réunions annuelles du Comité de Pilotage élargi du PIR. Des développements récents, qui pourraient conduire à l'avenir à une plus forte implication de la société civile dans la formulation et la mise en oeuvre de la stratégie de coopération de la Commission Européenne, méritent d'être signalés.

4.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

Comments / summary
<ul style="list-style-type: none"> • Coordination was rather deficient in general • Distinction of assessments of TRA coordination with EU member states and other donors was rather difficult at times

4.3.2.1 I.3.2.1 Evidence of synergies between Commission's and EU MS TRA and added value of Commission's TRA

CHI
Attempt to align trade cooperation more directly with European industry needs, thus improving visibility and defusing complaints.
DOM
Other donors support in the country towards private sector was extensive and even if some complementary can be found with EC intervention, there was little leverage. No significant scaling up intervention from EU MS is known in a sector context where EC support is by far the most significant one.
Trade.com
<p>Trade.Com served as a dynamic “instigator” for ACP States and regions to pursue trade development objectives embedded in the Cotonou Agreement. However, a mandate to enhance complementarity was not articulated in the Trade.Com FA, service contracts or contribution agreements. Nevertheless, there was reasonable evidence that other donors were doing similar things, mostly autonomously. The centralised nature of Components 1 and 3 (i.e. the demand-led activities) precludes routine and direct involvement of the PMU staff in regional coordination meetings with the EU Delegations. This has meant that Trade.Com has tended to operate in parallel with the Delegations, sometimes duplicating and even undermining, albeit unintentionally, the Delegations’ efforts to achieve greater ownership of EU-funded supports through NIPs and RIPs. This is less the case for H&S due to its presence in the field. Similarly, no structure exists to ensure complementarity with other donor programmes although ad hoc coordination and participation is a regular feature of Trade.Com interventions. But by strengthening regional and national capacity, the Programme has clearly made a significant contribution to development policy objectives and its activities are aligned with evolving EC strategies, although there was no direct contribution to the preparation of the RIPs and NIPs in the regions. Strategic linkages between Trade.Com and the interventions of EU Member States were confined to one-off mutually beneficial opportunities where the advancement of an activity would facilitate the “next steps” in implementation for the relevant programme, stakeholders or beneficiaries. Consequently, synergies were limited and unplanned. Finally, it was not possible to determine the degree of duplication of EU Member State programmes with those of the EC in this area, partly because a) there was limited information to be found on this subject and b) the information that was available was presented in the context of Member State contributions to higher (meso-level) AfT agenda.</p> <p>Trade.Com is closely aligned with the interventions and commitments of EU Member States because it is a programmatic product of the EU’s AfT Strategy. Also, the EC ensures that there is significant information sharing amongst Member States on planned and actual support programmes at regional and country (ACP) levels. One example of similar support is German Technical Cooperation Programme, (GTZ) assistance to ECOWAS through short term technical assistance and a flexible on demand approach like Trade.Com, with the resultant lack of coordination of inputs. GTZ has 6m Euro over 3 years for regional integration, peace and security, organisational development. The programme seeks integration/coordination with other donors and has some focus on extractive industries. A further 6m Euros is foreseen for trade activities from 2011. The GTZ manager stressed the need to strengthen the ECOWAS Trade Liberalisation scheme where private operators use a Free Trade Label on their products to show regional customers that their product does not carry internal tariffs and thus publicise the benefits to consumers of the FTA and customs union, one of the success stories of the REC. Overall, although some EU member States (e.g. Germany, the Netherlands and the UK) are actively involved in trade-related TA, there is no specific evidence of coordination of TRA-type interventions.</p>

Central Africa

Les services commerciaux des différentes ambassades des pays européens dans la région (France, Allemagne, Espagne, Royaume uni etc.) n'apportent pas de soutien direct dans le cadre des APE. Le corps des APE est un accord de commerce. Il relève donc de la politique commerciale de l'UE pour laquelle les Etats membres n'ont pas de compétence. Cependant, ces représentations tiennent parfois des discours à l'opposé de ceux de la Commission sur les APE, ce qui a pour conséquence de renforcer le doute sur l'opportunité que peuvent offrir les APE pour la région. On est très loin des engagements relatifs à la stratégie pour le développement de l'Afrique et à l'aide publique au développement résultant du consensus européen pour le développement en vue d'honorer les objectifs du millénaire pour le Développement.

La Commission est surtout active dans le cadre de la coopération au développement et de la politique commerciale à travers les APE. La Commission a pris des mesures afin de promouvoir la cohérence entre ces deux politiques. Cependant, au fur et à mesure de l'avancement des négociations APE, de grandes faiblesses sont constatées au niveau de l'appropriation et des capacités des acteurs régionaux/nationaux sur les accords de partenariat et l'intégration régionale.

SADC

The restructuring of SADC has improved the possibilities of donor co-ordination at regional level. At regional level the EC Delegation in Gaborone functions as the donor chef-de-file for co-operation with SADC. There is still some way to go, however, before achieving harmonisation of procedures. The onerous EC procedures themselves make it difficult to benefit fully.

MEDA

Coordination between the Commission and EU MS has been the object of guidelines at the outset of MEDA II. There is strong coordination in the political dialogue accompanying the AA and the identification of the regional programmes. Moreover, strategic coordination between Commission services and the BWI and the EIB takes place in the Luxembourg process.

Coordination between the Commission and EU MS took place within the various *for an* established by the MEDA regional cooperation (ministerial, senior official, and working group levels). Regarding the MEDA bilateral cooperation it varied across countries. Whereas effective donor coordination mechanisms have been elaborated and are used in Egypt, WB&GS and Morocco, in the other countries visited by this evaluation it generally proved limited to some exchanges of information both at design and implementation stages, but has recently improved and is increasingly in line with the principles of the Paris Declaration. In BS interventions coordination between the Commission and Bretton Woods Institutions has been strong, the World Bank and the Commission bringing their own comparative advantages, respectively technical expertise and political credibility.

Coordination between the Commission and the EIB also proved rather formal at the programming stage whereas the EIB, EU MS development agencies and BWI developed closer cooperation at implementation stage. The government partners generally preferred to maintain bilateral relations with each donor and did not push further the recent development of donor coordination mechanisms in which they fulfilled their leading role unevenly.

West Africa

La performance des systèmes de coordination entre les États Membres de UE et la CE a été jugée minime et de surcroît, les systèmes et les processus utilisés pour la gestion des programmes et des interventions se sont avérés non seulement complexes mais beaucoup trop lents, mettant ainsi plusieurs priorités en danger.

En général, la coordination des bailleurs de fonds européens au niveau régional ne se fait pas, si ce n'est à un niveau superficiel et par voie de mécanismes informels, et donc ne correspond pas aux objectifs prévus dans la Déclaration de Maastricht sur la Cohérence, la Coordination et la Complémentarité (3C) (pour plus de renseignements, se référer au www.three-cs.net). La CE n'a pas mis en place de mécanismes spécifiquement destinés à assurer la gestion de la coordination des bailleurs membres de l'Union Européenne. Finalement, il est impossible d'observer les résultats des efforts entrepris par la CE pour mieux gérer la division des responsabilités prévue dans la Communication sur ce sujet datée du 28 février 2007.

4.3.2.2 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

Trade.com
Strategic linkages between Trade.Com and the interventions of EU Member States were confined to one-off mutually beneficial opportunities where the advancement of an activity would facilitate the “next steps” in implementation for the relevant programme, stakeholders or beneficiaries. Consequently, synergies were limited and unplanned. Finally, it was not possible to determine the degree of duplication of EU Member State programmes with those of the EC in this area, partly because a) there was limited information to be found on this subject and b) the information that was available was presented in the context of Member State contributions to higher (meso-level) AFT agenda.

4.3.2.3 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

No evidence found in reports
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4.3.3 JC 3.3 – Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

Comments / summary
<ul style="list-style-type: none"> • Coordination was rather deficient in general • Functioning coordination mechanisms deficient with some promising exemptions and a some positive trends during the second half of the evaluation period • Distinction of assessments of TRA coordination with EU member states and other donors was rather difficult at times

4.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Trade.com
Coherence, Mutual Reinforcement and EC Value Added. Trade.Com served as a dynamic “instigator” for ACP States and regions to pursue trade development objectives embedded in the Cotonou Agreement. However, a mandate to enhance complementarity was not articulated in the Trade.Com FA, service contracts or contribution agreements. Nevertheless, there was reasonable evidence that other donors were doing similar things, mostly autonomously. Similarly, no structure exists to ensure complementarity with other donor programmes although ad hoc coordination and participation is a regular feature of Trade.Com interventions. But by strengthening regional and national capacity, the Programme has clearly made a significant contribution to development policy objectives and its activities are aligned with evolving EC strategies, although there was no direct contribution to the preparation of the RIPs and NIPs in the regions.

4.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)

Trade.com
A mandate to enhance complementarity was not articulated in the Trade.Com FA, service contracts or

contribution agreements. Nonetheless, there was reasonable evidence that other donors were doing similar things. For instance, Trade.Com used a basis needs assessment conducted by DFID as the basis for a Uganda project (P85); collaborated with BIZCLIM on some private sector activities; and accessed resource persons from GTZ for the Business Forum in Mauritius. Other institutions, such as WTO, UNCTAD and WIPO collaborated with Trade.Com by providing resource persons to the legal training Seminars, GI workshops etc. The PMU regularly consulted donors like DFID, UNCTAD, GTZ, the World Bank, the WTO, WIPO, ITC, ILEAP and others while preparing projects for submission to the Validation Committee, primarily to avoid duplication of efforts and resources. Also, there was high level of complementarity with country and regional organization policies through H&S programmatic assimilation via RTPA, TPA, RC and NC work plan development and implementation.

SADC

The overwhelming impression from country visits was that Member States and the EC Delegations in the countries visited is that regional integration is not considered as a strategic factor in developing programmes at country level. Even where “trade and regional integration” are included as non-focal sectors in the CSP/NIP, there is a mechanistic, bureaucratic approach taken to “trade” with little appreciation of national self-interest and the strategic trade-offs which the different negotiations will imply for the Member States.

Central America

De 2002 a 2006 se observa una actuación claramente consistente con el principio de concentración, como sugiere la existencia de un número menor de programas de mayor tamaño, centrados además en áreas prioritarias de la Estrategia regional, y de la agenda de la integración regional. No existe una coordinación explícita de ganizat regional en América Central.

La escasa voluntad de los donantes de consensuar sus estrategias, dotadas de objetivos explícitos o implícitos diferentes, hace muy difícil avanzar hacia tal coordinación. Además, el proceso de alineamiento y de apropiación de la ayuda en el ámbito regional se presenta difícil y complejo en el corto plazo. Si bien hay indicios de mejora que revelan una voluntad política centroamericana de mejorar sensiblemente el impacto de la cooperación vía una coordinación 22rganizat y efectiva, las 22rganizati condiciones para que este proceso se dé son aún inexistentes: la débil institucionalidad del SICA, y en particular de su Secretaria General, la falta de una agenda estratégica centroamericana 22rganization22 y la falta de una financiación efectiva de las instituciones 22rganizat, son los 22rganizati elementos que han impedido ejercer una efectiva coordinación en el 22rganiz regional.

West Africa

En considérant les définitions des termes «coordination, complémentarité et cohérence » utilisées dans les sciences de la gestion, les activités de la communauté des bailleurs destinées à faire avancer l’agenda de l’intégration économique régionale ne bénéficient pas de la valeur ajoutée potentielle de la coordination et de la complémentarité, ni au niveau stratégique ni au niveau tactique. Même si elle est un des bailleurs les plus importants dans la région et le plus important en ce qui concerne l’appui aux instances régionales, la CE n’a pas mis en place de mécanismes de coordination performants, les ressources nécessaires pour augmenter de façon significative l’efficacité de l’aide via un accent plus important mis sur cette fonction de gestion ne sont pas en place, et les gestionnaires de la CE sur le terrain et à Bruxelles ne sont pas appelés à rendre compte, ni à la CE ni aux instances d’intégration régionale.

4.3.3.3 I 3.3.3 – Degree to which joint TRA strategies and programmes in place and operational in partner countries

No evidence found in reports

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4.3.3.4 I 3.3.4 – Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

Central America

Todos estos ejemplos sirven para demostrar que la integración en Centro América ha avanzado a pesar de las limitaciones que muestra en todos los campos y que la CE se ha presentado como un socio importante, coherente y consistente y ha apoyado con recursos y acciones significativas en la construcción de un espacio regional común para los centroamericanos con capacidad de negociación con

otras Organizaciones y países y con potencial capacidad económica y equitativa entre sus miembros y entre las poblaciones.
West Africa
Il est accepté par tous les intervenants que la CE est un partenaire loyal et généreux, et qui essaye d'introduire des éléments de flexibilité dans ses systèmes de contrôle. Mais la CE n'a pas encore su installer des protocoles de gestion performants, et par conséquent ne peut pas évaluer facilement la pertinence de ses interventions dans la région.
Tanzania
Trade and regional integration are an example where the EC has been seen as a legitimate player without paying an "entry price" in the form of substantial financial support, and where significant political steps have been taken without any progress-related approach

4.3.4 JC 3.4: Complementarity and coherence of Commission's support to TRA at global, regional and national level

Comments / summary
<ul style="list-style-type: none"> Limited information available on the complementarity between global and regional TRA Some evidence seems to confirm the global level intervention are complementary to regional / national TRA Coordination between regional and national TRA seems to be in many cases very weak, if not non-existent <i>Particip project experience and knowledge of past performance shows that global initiatives are often not very well coordinated with national programmes</i>

4.3.4.1 I 3.4.1 Evidence that implications for regional TRA strategies have been considered when contributing to global initiatives

No evidence found in reports
./.

4.3.4.2 I 3.4.2 Evidence that Commission support to global initiatives addresses challenges not equally addressable through regional strategies

Trade.com
<p>Our analyses and discussions with the RECs on the 2002 – 2007 regional strategy papers (RSPs) for the five regions covered in this evaluation indicated a relatively high level of consistency between the RSPs and the EC's AfT Strategy since each region's RSP had provided for the subsequent development of components of Regional Indicative Programmes (RIPs) that would focus on AfT and TRA challenges at that level. For instance, Trade.Com's overall objective mirrors the aim of the East and Southern Africa and the Indian Ocean RSP intervention framework for regional and economic integration (to increase economic growth and reduce poverty). The RIP committed 45% - 55% of the €223 million financial envelope to Economic Integration and Trade. The Facility's purpose (increased trade capacity) is therefore closely aligned with the RSP specific objective of improving WTO implementation and effecting EPA negotiations.</p> <p>Trade.Com served as a dynamic "instigator" for ACP States and regions to pursue trade development objectives embedded in the Cotonou Agreement. It continually supported mainstreaming interventions aimed at facilitating the progressive adoption of measures and new protocols. Its demand-level projects exposed ACP institutions to critical prerequisites (new laws, modifications to policies and regulations etc) for creating conducive operational platforms for sustainable growth. However, implementation also exposed various anomalies in terms of the challenges to organization all- ACP programme collaboration arrangements</p>

4.3.4.3 Evidence of Commission’s regional TRA integration strategies providing added value compared to global initiatives

No evidence found in reports
./.

4.3.4.4 I 3.4.4 Evidence of coherent programming, effective coordination mechanisms and synergies of TRA at global, regional and national lev

Additional comment
<i>Please also cross-check with EQ 7 – many overlapping judgements encompassing EU coordination at regional / national level AND regional / national political level</i>
PHL
However, synergies between and among the bilateral EU-Cooperation cooperation programme and regional EU-ASEAN (Association of Southeast Asian Nations) projects only exist to a limited extent and coordination mechanisms are not formally institutionalised.
DOM
The evaluation also found that the management of regional and national programmes was not leveraged so as to provide a strong complementarity for “joint” RIP-NIP programming of either regional integration (ex. Trade and EPA) or of DR-Haiti common development.
Trade.Com FA
Two major shortcomings were identified by the evaluators: 1) a modest focus on institutional capacity building (ICB) and therefore a resulting absence of coordinating mechanisms between Trade.Com, the EU Delegations, the RECs and ACP States on this: Clearly, there is an urgent need to reconcile NIPs and RIPs and to integrate trade-related activities at regional/country levels. However, there is considerable concern, both at ACP State and EU Delegation level that RECs do not have the capacity to take the lead on managing programmes like Trade.Com or in fostering strong collaboration between member countries implementing agencies and their own organisations under such programmes. Similar concerns were voiced about REC absorptive and management capacity in the European Court of Auditors Report, “Effectiveness of EDF Support for Regional Economic Integration in East Africa and West Africa” of 2009. Other concerns were voiced about donor/REC coordination. This was substantiated in a report entitled German Aid for Trade: Past Experience, Lessons Learnt and the Way Forward – Regional Case Study ECOWAS posted by ACP-EU-Trade.org in December 2009 “there is no specific AfT-related strategy and coordination mechanism among donors and between donors and ECOWAS.”
MEDA
Bilateral cooperation strategies clearly refer to and fit within the Barcelona process. In all the interventions examined the Barcelona process is clearly referenced as the umbrella under which the cooperation takes place. Reference to one or several Barcelona objectives is clearly made in the programming documents and the interventions are in line with the strategy documents (CSP/NIP). However this linkage remains largely nominal and the programming documents do not demonstrate how they will achieve the process objectives. National priorities and, therefore, the demands from the partner for support are generally determined by domestic policy considerations and reforms and not by the Barcelona process. It is only, and then only to a certain extent, in the development of the private sector and the opening-up of the economies to international trade that there is convergence with and mutual support for the Barcelona and national objectives. This is a striking difference with what has been observed in candidate countries where the prospect of adhesion constitutes a powerful incentive for structural reforms and the adoption of the “acquis communautaire”.
Pacific
Contacts between EC-funded regional and country interventions have been limited even when regional interventions have had national components. No instances of complementarity in intervention design have been observed. Cases of complementarity and mutual valorization during implementation have been the exception and have depended on the discretion and willingness of the regional and national implementers. The ‘Hubs and Spokes’ component of the Trade.com project, administered by the Commonwealth Secretariat and financed by the Commission, has given some national level support to the regional PACREIP programme (I 2.1.2). In Fisheries, interventions have been strongly regionally focused and designed in such a way that they can be implemented without substantial dependence on

work at national level. Regional and country strategy documents do not explicitly develop arguments supporting allocation of interventions to regional or national levels.

Recommendation:

The RSP and CSPs are established rather independently from each other since they are elaborated within different policy dialogues involving different actors. It would not be practical, and probably not possible, to change this state of affairs. However, it leads to an absence of articulation between the two levels of interventions and is a source of reduced effectiveness and leverage of the Commission's interventions. In order to remedy to this deficiency, this recommendation proposes a very practical measure consisting of the introduction of an intermediate step between the elaboration of the RSP and CSPs and the derivation of the corresponding RIP and NIPs. What is proposed is simply that, once the strategic documents are prepared, a policy dialogue -possibly in the form of a regional workshop-, is organised to prepare a "subsidiarity implementation study". The purpose of such a study would be as follows:

- identify, with appropriate justification, the regional activities in the RIP that need to be taken over at country level (identify in which countries) to develop their full potential;
- identify in the NIP, with appropriate justification, the national activities that need to be supported by the relevant regional activities envisaged in the RIP;
- identify areas of institutional strengthening that need to be undertaken in order for the relevant institutions to be able to implement agreed policy priorities.

As a follow up, in the preparation of regional programmes and projects, the Commission should develop templates and formats ensuring that strategic recommendations of the "subsidiarity implementation study" are effectively transposed into the programmed activities and that the responsibilities for communication between levels are duly identified.

Moreover, Multi-country programmes should be developed on the basis of specific commitments by subgroups of States to participate and play a positive role both in a regional programme and in national level counterpart activity. Countries positively opting to participate in multicountry programmes are likely to be well-motivated to participate in programme activities at national level. The recommendation appears as a response to the weaknesses mentioned above.

Nigeria

There is a lack of complementarity and coherence between regional and national 9th EDF programmes; for example, the trade sector was not focal for Nigeria in the 9th EDF.

West Africa

Recommendation:

The EC must increase both the complementarity and the coherence between its regional and national programmes. In addition, the EC must carry out a complete review of operational strategies and existing plans for its support to the region (both countries and regional integration bodies) in order to ensure that the planned strategies and actions (including institutional development) will produce the results necessary for attainment of the integration objectives at all levels".

Pacific

Discussions in the region suggest that there have been difficulties in adapting the services of the all-ACP facilities to the requirements of the region and building the contacts necessary to successful use of such facilities. In particular, significant misunderstandings appear to have arisen between the Fiji Trade and Investment Board (FTIB) and CDE, both directly and with PROINVEST. The FTIB is keen to utilise the services of these agencies as an intermediary for local businesses, but there have been shortcomings in response to proposals and the conduct of regional events. Similar criticism came from other sources. The Monitoring Report quoted above on the EBAS project tends to confirm the importance of a regional presence if a facility is to be properly utilised.

4.4 EQ 4 – To what extent has the Commission’s support contributed to an improved trade policy environment at national level?

4.4.1 JC 4.1 – Trade policy formulation and mainstreaming has been strengthened

Comments / summary
<ul style="list-style-type: none"> • Trade.com outcome seems to be rather positive • Evaluations rather refer to trade policy support in general and not to trade policy formulation (i.e. difficult to distinguish) • Some evidence on NSA on national trade policy formulation

4.4.1.1 I 4.1.2 – Adoption of a national trade policy integrated within the country’s national development objectives (such as PRSP)

Trade.Com
<p><i>Analytical and institutional capacity for trade policy formulation enhanced</i></p> <ul style="list-style-type: none"> • Trade related research, training & consultancy capacities enhanced at local/regional level. • Diagnostic trade studies available to policy makers for formulation of trade policies. • A platform for effective participation of stakeholders in trade policy formulation in place. <p>There is strong stakeholder ownership of actions aimed at improving trade strategy, implementation and participation in international negotiations. Achievements, as measured by advancement of the OVI, have been significant, especially the support provided under the Hubs and Spokes component. Donor, county and regional policy correlation has improved but regional integration and country strategies are not closely correlated.</p> <p>With the exception of States like Mauritius, that is at a relatively progressive stage of mainstreaming Trade, the capacity of primary beneficiaries to continue to maximize Trade.Com benefits will be strongly influenced by continued access to donor-funded TRTA. While they have made in-kind contributions to Trade.Com implementation, financially and institutionally, there is minimal evidence of <i>independent</i> ownership i.e. country commitment to increasing the amount of their own financial and human resources to Trade. Furthermore although EC support to regional programmes and regional integrations has increased significantly since the 9</p> <p>Th EDF, the RECs are either reluctant or ambivalent about setting aside any of those resources to the continuation of Trade.Com-type activities beyond 2010. If sustainability is not a near-term priority then it could be argued that the programme budget – allocated to cover technical assistance to six RECs and at least 25 of 79 ACP States – was inadequate for achieving the programme purpose, although it still allowed stakeholders to make considerable progress towards that goal.</p> <p>There has been modest enhancement of the capabilities of local experts to carry out trade-related research, training and consultancy since most of these activities were done by non-ACP consultants supplied by the Facility.</p>
MEDA
<p>The support for reforms, notably with intensive recourse to budget support in the countries where it was possible, has been an interesting development and there is abundant evidence that it has effectively promoted changes. BS reforms that aimed at promoting significant reforms affecting the business environment and the development of productive and trade activities have indeed successfully achieved that goal.</p>

4.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

DOM
<p>The GoDR has set up a comprehensive consultative framework for economic policymaking including the private sector, helped by EC supported small and medium enterprises (SMEs) improved participation and policy framework. Some missing active support of the private sector to the national competitiveness</p>

plan may engender further delays in this critical area. For instance, delay in making national bodies define and agree on specific EC support towards DR firms, particularly in the context of more indirect support to private sector⁵⁷, has met with frustration by firms and associations that regret the nature of the intermediation by the GoDR in the dossier.

Trade.Com

A platform for effective participation of stakeholders in trade policy formulation is in place.

4.4.2 JC 4.2 – Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

Comments / summary

- Global initiatives seem to have aimed rather at immediate outcome rather than on longer term capacity building: capacity building effect was limited and effect focused on rather immediate outputs / deliverables / specific technical support and to a much lesser extent to sustainable capacity enhancement in line as set forth with the Backbone Strategy
- JC has to be assessed also in the light of EQ 7 (regional integration)
- Indicators seem to be a bit too narrow to grasp capacity building outcome
- The measurement of capacity building effects seems to be challenging – this may explain why evaluation reports have hardly attempted to systematically assess/rate capacity building outcomes

Trade.Com

Trade related research, training & consultancy capacities are enhanced at local/regional level:

Trade.Com interventions have made a significant contribution to improving the capacity of ACP countries and regional organisations to design and implement their own trade strategies and to effectively participate in international trade negotiations.

However: Trade.Com placed limited emphasis on trade-related *institutional capacity building* partly because its primary focus was on a) delivering TA aimed at immediate trade capacity building.

It is important to appreciate that Trade.Com's contribution has been largely the result of the provision of technical expertise and supportive capacity and not through institutional capacity building – in an environment in which there was pervasive trade capacity deficiency. To have had a transformative effect on institutional capacity building would have required a more concerted effort – and more resources – devoted to priorities such as a) substantially enhancing the capacity of both regional and national academic institutions to deliver exponential increases in graduates and post graduates qualified in trade affairs, b) assisting 27rganizatio service providers to improve their skills and execution capacity in trade analysis and policy formulation and c) helping trade and economic analysis services within the RECs and national agencies/trade ministries to improve their institutions through systematic needs assessments/training programmes, 27rganization2727 development methods and other measures over the medium to long term.

Trade.Com made commendable progress towards the achievement of the programme's expected results with and on behalf of its stakeholders. However, contributions to each result were varied. Analytical and institutional capacity for trade policy formulation was enhanced through training, recommendations arising from studies and briefs, and assistance with educational institutional programme development, much of that capacity still resides in the mechanism used (delivery of demand-led assistance) and in the presence of H&S advisers. Similarly the additional capacity provided by H&S advisers has ensured that effective participation in international trade negotiations has increased. However, the extent to which stakeholders, on their own, are now capable of entering into and successfully completing trade negotiations could not be ascertained because of the extensive nature of H&S – which functioned more as core capacity institutional support than as an advisory service. In most cases, it is too early to determine the extent to which institutional capacity for implementing international agreements have been reinforced partly because Trade.Com's assistance in this area was mainly aimed at helping stakeholders to address immediate technical and legal challenges emanating from planned or actual Commitments. Although progress is being made by beneficiary assimilation of Trade.Com deliverables, the true test of

the extent to which capacity to manage implementation of Commitments, i.e. the converting of draft laws into legislation and putting regulations in place; adoption of new product standards; adherence to IP laws etc., requires more implementation time and is also beyond the scope of Trade.Com and of this evaluation.

Generally, there were high levels of participation by key stakeholders and diverse groups of beneficiaries in Trade.Com interventions. The demand-led approach and the long term presence of H&S advisors successfully elicited strong stakeholder participation in Trade.Com activities and the organization sessions undoubtedly raised the level of national and regional awareness of Trade as a major focal area of future ACP development. However, a major deficiency in implementation arrangements was that stakeholders were not required to report on use/implementation of Trade.Com outputs. This compromised the extent to which Trade.Com assistance could have been refined and the degree to which the Facility could substantiate its effectiveness during the remaining life of the programme.

Under the demand-led Facility, Trade.Com technical assistance in building implementation capacity has been mainly aimed at addressing the immediate technical and legal challenges emanating from ACP commitments made under international agreements. Thus, 10 studies on implementation were conducted; 149 laws revised and drafted; 76 workshops held on the implementation of Agreements and Commitments; 70 study papers produced on implementation implications and 48 sets of templates/toolkits/training materials prepared and 4 databases set up. Apart from final technical assistance reports prepared by consultants, the extent to which these Trade.Com outputs have been used by the beneficiary countries and institutions has not been documented by the PMU. Furthermore, an attempt by the evaluators to solicit information from participants of workshops which were the subject of Component 3 assistance produced a limited number of responses. Selective findings suggest that the results are likely to be quite mixed.

Trade.Com placed limited emphasis on trade-related *institutional capacity building* partly because its primary focus was on a) delivering TA aimed at immediate trade capacity building through components 1 and 3 and b) providing temporary additional capacity to RECs, through the Hubs and Spokes component's provision of trade policy advisors, analysts and 28rganizati. It is important to appreciate that Trade.Com's contribution has been largely the result of the provision of technical expertise and supportive capacity and not through institutional capacity building – in an environment in which there was pervasive trade capacity deficiency.

Namibia

NTRIP's design promised versatile support in building core trade-related capacities, independent of regional integration initiatives, but remained vulnerable to political dynamics. The pattern of regional integration in Southern and Eastern Africa is often referred to as "a spaghetti bowl", because of the overlapping membership of countries to different regional integration initiatives (RII) and their overlapping mandates.

4.4.2.1 I 4.2.1 – Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

Trade.Com

- Diagnostic trade studies are available to policy makers for the formulation of comprehensive
- Policies – conduct stocktaking and assessment exercise of trade related studies and programmes and launch complementary institutional audits and trade diagnostic studies that might have special interest for trade policy formulation.

Overall, we found that the problem analysis provided an appropriate and relevant backdrop for defining Trade.Com's operational focus. When Trade.Com was designed the main problem to overcome was inadequate trade strategies at national and regional level. At the time there was inaccurate information and limited consultation with the private sector and civil society to develop a clear understanding by all major stakeholders of their interests, the risks and the opportunities arising from expanded international integration. There was a lack of analytical resources and expertise to identify the constraints impeding further integration into the world economy and to propose the appropriate solutions. Furthermore, there was weak ownership of the process of trade policy formulation by key stakeholders and weak capacity to elaborate trade policies that balance the risks and opportunities to various constituencies within national and regional economies. There was limited articulation of priorities or sequencing of actions to overcome the constraints identified. Also, trade policies and action plans were not mainstreamed in development and poverty reduction strategies.

4.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

PHL
The capacity needs of key Philippine government stakeholders, mainly the Department of Trade and Industry (DTI), on trade in services statistics, integrated trade database, trade impact assessment methodologies, multi-stakeholder consultation techniques, trade negotiations skills and other areas had been effectively addressed by TRTA 1 and continue to be focused on under TRTA 2 (4.2.1).

4.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

DOM
This has not hampered government capacity to continue its reforms to liberalize/regulate the economy in order to be more integrated into the world economy ⁵⁸ although interviewees reported that public officials tended to focus on process issues and not on solving “real world” problems.

4.4.2.4 I 4.2.4 Changes of ‘customer’ satisfaction related to the output produced by trade-related public institutions

No evidence found in reports
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4.4.3 JC 4.3 – Trade negotiation capacity has been enhanced

Comments / summary
<ul style="list-style-type: none"> • Some tangible outcome seems to be visible • Negotiation capacity must also include EUD staff

4.4.3.1 I 4.3.1 – Quality of training and other specific EC support activities to enhance negotiations

Trade.com FA
<p>Effective participation in international trade negotiations increased</p> <ul style="list-style-type: none"> • Technical assistance and training is provided to national and regional trade negotiators. • Trade policies are mainstreamed in development strategies and negotiation agendas. <p>The capacity for trade capacity formulation was enhanced through Trade.Com training trade negotiators and policy makers. By early 2010, 474 negotiators/policy makers/ACP Trade Ministry staff had been trained but the actual number who had received trainingsources had not been quantified by the Facility.</p> <p>Comsec H&S advisers and analysts produced 88 formal negotiating briefs, issues papers and position notes in their TCB functions while OIF personnel contributed to 70 similar projects in West and Central Africa. Because these processes are consultative, they were effectively increasing the capacity of the beneficiaries to participate in international trade negotiations. However, the extent to which beneficiaries are now capable of entering into trade negotiations without donor support could not be ascertained because many RTPAs and TPAs have been co-opted into negotiations, and, in the process, have become full-time institutional resources to host entities. Therefore while effective participation has increased, significant capacity continues to reside in the presence and know-how of the Advisers themselves. This reflects the fact that they were not given an institutional capacity building mandate but were selected as additional core resources for the countries and RECs to draw on.</p> <p>Support provided under Components 2 and 3 is likely to improve ACP capacity to comply with WTO accession and international trade rules. Unfortunately, this OVI could not be objectively measured</p>

primarily because there is no compendium on the progress being made at ACP country level to such commitments, notwithstanding selective WTO summaries on its database
 Still, there is “sample” evidence of progress toward establishment of national negotiating processes and structures in ACP states. These include H&S TPA-supported national trade policy statements developed for Rwanda, Trinidad and Tobago and St. Vincent and the Grenadines. These documents established the basis for advancing national trade interests and committing to a more comprehensive and consultative approach to policy formulation across Government entities, the private sector and civil society.

CHI

A major component of the EC’s approach to helping China meet its WTO obligations has been bolstering the capacity of the EC Delegation. Non-Delegation experts interviewed particularly appreciated the presence of specialists as opposed to generalists, a trend which has upgraded the quality of discussions with GoC experts.

4.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations

No evidence found in reports

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4.4.3.3 I.4.3.3 Timeframe and progress in accession to trade agreements

Nigeria

The EPA negotiations do not appear to enjoy high political priority in Nigeria; some members of government, press and civil society continue to inveigh against EPA.

4.4.3.4 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

Senegal

Au cours de la période évaluée, les négociations d’un Accord de partenariat économique (APE) prennent une importance significative, notamment dans la récente politique de développement. Néanmoins, le Sénégal a représenté une vive opposition anti-APE50 et, même si le dialogue s’est rétabli, nombre de défis importants restent encore non résolus dans le cadre des négociations autour du PAPED.

4.5 EQ 5 – To what extent has the Commission’s TRA to trade facilitation contributed to reducing trade-related transaction costs?

4.5.1 JC 5.1 – EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

Comments / summary
<ul style="list-style-type: none"> • While diagnostic studies seem to exist, evidence from evaluation reports seems to be scarce, especially when it comes to the precise presentation of specific effects

4.5.1.1 I 5.1.1 – Diagnostic studies, gap analysis, policy plans produced

Trade.Com
<p>An increasing stream of planned diagnostic studies was advanced in areas such as trade in services, agricultural diversification, EPA impact assessments, financial services and telecoms etc., but availability of that information was limited to the beneficiary countries. Again, by mid-2010, 36 impact assessment, trade diagnostic studies and briefs had been prepared under Component 1. The recommendations generated put beneficiary countries in better positions to a) adopt strategic positions based on assessments of the likely impact of Economic Partnership Agreements (EPAs) and b) start or strengthen the process of formulating trade policies and upgrading regulations and procedures for World Trade Organisation (WTO) compliance.</p>

4.5.1.2 I 5.1.2 – Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

Trade.Com
<p>Institutional capacity for implementation of international agreements reinforced Trade-related regulations are reformulated and technical barriers to trade or other difficulties in complying with international trade agreements identified above overcome through pilot schemes for institutional capacity building in trade support services.</p>
Uganda
<p>Uganda is now characterized by a relatively more liberal trade regime after rationalizing the tariff structure and reducing the maximum tariff rate from 60% to 25% (but with a few exceptions/sensitive products – refer to EAC CET). The adoption of this regime was strongly supported by bilateral and regional EC TA, among other DPs and the IMF. However, with a 2007 Market Access TTRI (including preferential rates) score of 7%, Uganda ranks 114th (out of 125 countries), indicating that its exports face higher barriers than the SSA region (5.4%) and low-income countries (6.3%). Trade and development cooperation between EU and the ESA-IO RIOs/ member states develop positively but face considerable delays.</p>
Nigeria
<p>There has been some reduction in such trade restrictions, import and export bans and high tariffs but many remain in place. There is thus little evidence to show increasing shares of ECOWAS or WAEMU (West African Economic and Monetary Union - UEMOA in French) countries in Nigerian exports or imports.</p>

4.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

No evidence found in reports
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4.5.2 JC 5.2 – Operational environment for trade at national or regional level improved, including modernised customs systems

Comments / summary

- The Philippines seems to be a good case in point

4.5.2.1 I 5.2.1 – Design of customs reforms and upgrading based on modern principles (RKC etc.)

Trade.com FA

Provide support to the diagnosis and evaluation of the conformity of existing trade related laws with WTO rules and regional integration processes

4.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)

PHL

Improvement to customs procedures is one of the best documented examples in this regard. As a result of TRTA 1 the customs process improved markedly: cargoes or shipments targeted for yellow or red-lane (medium and high risk products) inspection have declined from 80 % to 20 % over the duration of the project. Moreover, clearance time has been reduced to less than 8 hours for “green lane” (low risk) entries.

Nigeria

Border controls and procedures are gradually improving as a result of the EC support (through provision of EC support for information and communication technology [ICT] for trade facilitation and regional transportation, which includes provision of ‘one-stop’ border posts). However, ECOWAS and WAEMU have different speeds for regional convergence and there are continuing doubts about the motivation of those regional organisations to prioritise their mutual policies for regional integration, economic and monetary union, free movement of people and goods and improved border controls.

4.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

No evidence found in reports

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4.6 EQ 6 – To what extent has the Commission’s TRA contributed to third countries’ participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

4.6.1 JC 6.1 – Strengthened SPS / TBT policy, legislation and regulation

Comments / summary
<ul style="list-style-type: none"> • Trade.com, Tanzania, Uganda and ECAP II (Asia) seems to be good cases in point • Trade.com seems to have had various positive effects • Indicators 6.1.1 – 6.1.3 may be too narrow to grasp JC 6.1 (at least based on documentation assessed) • Evidence of the adoption of rules and standards seems to be in general positive when targeted support was provided, however with some striking negative outcomes

4.6.1.1 I 6.1.1 – Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

No evidence found in reports
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4.6.1.2 I 6.1.2 – The private sector, in particular exporters’ associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

No evidence found in reports
./.

4.6.1.3 I 6.1.3 – Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

No evidence found in reports
./.

4.6.1.4 I 6.1.4 – Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

No evidence found in reports
./.

4.6.1.5 I 6.1.5 – Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

PHL
Evidence for effectiveness was also found in relation to the way Philippine government agencies and firms were informed about, and adjusted to, EU regulations influential for trade development. According to NEDA among the accomplishments of TRTA 1 were the upgrading of the Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary measures (SPS) regulatory framework, improved awareness of safety in the fishery and coconut food and feed chains, and improved knowledge of EU market access

for exporting electrical and electronic goods. With the accomplishments on TBT and SPS as well as on the increased EU market access, exports of fishery products grew by 31.5 % in 2007 from 19.8 % in 2006. The number of companies accredited for export of fishery products to EU also increased by 18 % in 2007. Relevant Administrative Orders (Aos) prepared are also now in line with international and EU standards.

CHI

Yet, the problem of attribution remains. In the last quarter of 2006 there were a number of high-profile Chinese decisions tightening the enforcement of IPRs. Was this ascribable to the EC's engagement in the area? Some of it no doubt is, some is ascribable to pressure from the U.S. and Japan, and some to changes in Chinese policy priorities that were entirely independent of international influence. Enforcement problems deserve to be split into two categories – those due to lack of capacity or awareness and those due to lack of political will. Problems arising from the first can and should be addressed by projects such as IPR2 concentrating on policy implementation as opposed to formulation. Problems arising from the second are essentially intractable from a cooperation point of view and should be dealt with in political dialogue. The Final Evaluation of the IPR1 concluded that SIPO patent-granting capacity is now up to international standards, thanks in part to the project. To reiterate, this finding contains no information on Chinese partners' willingness or capacity to enforce IPRs.

There have been some high-profile successes in promoting European approaches to standards. In the context of the Information Society Sector Dialogue of April 2004, various memoranda of understanding have included promises to promote cooperation in the development of commonly agreed standards and cooperation on certification.

SLV

At macro level, EC contribution through FOMYPE to the national policy and legal framework on MSEs has helped design the national policy but has been scarcely efficient as far as norms and legal framework are concerned. Regarding norms for MSMEs, FOMYPE contributed to the design of a National Innovation System; and it supported the creation of the National Quality and Productivity System, which will not bring any results while the 4 institutions (Metrology, Technical Regulation, Normalisation and Registration) on which the system is based are not working effectively.

SADC

In SADC the perception of the openness of Member States to trade has remained static between 2000 and 2007 – as measured by the Trade Index of Economic Freedoms. This would suggest that barriers to trade may be changing shape rather than falling away. Mitigating the extent to which food safety becomes a barrier to trade is also extremely important in the organization intra SADC trade. Agriculture is a particularly sensitive area and subject to non-tariff restrictions that are due to be removed – under the provisions of the SADC Trade Protocol – in 2008. However, enforcement capacities in food safety standards are accepted by Member States to constitute a significant obstacle to further SADC regional integration.

West Africa

Des programmes relatifs à l'établissement des normes industrielles, et plus généralement à l'augmentation de la qualité des produits fabriqués dans la région, ont été soutenus par la Commission Européenne à travers une Convention de Contribution au bénéfice de l'UNIDO. Initialement limitée à l'UEMOA, cette aide a été étendue par le 9ème FED à l'ensemble des pays de la CEDEAO.

Thailand

The Delegation has played a significant role on health and safety matters in bilateral trade relations, by helping Thailand to adopt new regulations and comply with standards, for example through training programmes/seminars for government officials. However, both European and Thai stakeholders emphasised the general difficulty in drawing a clear line between development cooperation (as prescribed by DCI) – which by definition must only benefit the recipient – and two-way trade facilitation. For a middle income country like Thailand, which has very small capacity building and TA needs in the trade/economics sector(s), DCI does not provide a sufficient instrument for bilateral relations with the EC. Various projects funded under the EU-Thailand Economic Cooperation Small Project Facility (SPF) have addressed issues related to the improvement of trade relations. SPF projects in general have proved to be a suitable tool for fast and flexible responses to Thai stakeholders' needs, for responding and

<p>adapting to EU legislation. But there is no hard evidence of a direct impact on trade relations. The impact has at best been indirect, in the sense of the provision of help for Thai stakeholders to comply with EU regulations.</p> <p>ECAP II is of particular importance to Thailand as ASEAN's Local Coordinating Unit (LCU) is based in the Thailand Intellectual Property Office (TIPO). As a result of the programme, Thailand introduced TRIPs compliant IPR legislation (CE, 2003). ECAP can be singled out as the most significant EC intervention in terms of its contribution to Thai policy-making and legislation. However, while ECAP had been the most beneficial for the modernisation and strengthening of Thailand's IPR regime, synergies for ASEAN cooperation (as envisioned by the programme) had been very limited due to the development divergences within ASEAN.</p>
Malaysia
<p>ECAP II also provided a valuable - albeit indirect - contribution to economic relations as the Malaysia component helped to improve the national legal framework for IP as well as IPR administration, enforcement and awareness. Malaysia's IP regime complies now better to EC and global standard and this should benefit trade and investment relations between the EU and Malaysia.</p>
Trade.com
<p>Promotes catalytic pilot activities for institutional reinforcement in trade support services, especially through the creation of an enabling regulatory environment to overcome technical and sanitary and phyto-sanitary barriers for trade development.</p>
Moldova
<p>The team's review of the Tacis project "Harmonisation of Moldovan System of Standardisation with the EU" found that there were only very limited concrete results. Thus in 2006 only 90 firms in Moldova were certified for ISO 9000.</p>
BFA
<p>Faible opérationnalité des structures professionnelles : la phase I a permis la création du cadre réglementaire et institutionnel au niveau régional des structures de la qualité. Celles-ci ne sont pas opérationnelles en phase II. La responsabilité en incombe à l'UEMOA qui doit rendre opérationnelles des structures professionnelles de qualité.</p>
IND
<p>In contrast, much smaller and precisely targeted interventions, such as the training of individual GoI staff in food safety and phyto-sanitary standards, have been effective, relevant and well appreciated, but obviously the impact and the funds involved have been rather small. The issue of SPS will be addressed more systematically in the TIDP, which is highly relevant and demanded by Indian authorities and businesses.</p>

4.6.2 JC 6.2 – Appropriate and sustainable quality infrastructure related to SPS and TBT developed

Comments / summary
<ul style="list-style-type: none"> While the establishment of a quality infrastructure may have been achieved in some cases, their sustainability seems to be an issue (the latter not being grasped with the current formulation of the JC)

4.6.2.1 I 6.2.1 – Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

BFA
While the regional programme was initially successful in facilitating the establishment of a quality procedure among firms and organization bodies, the success was short-lived. Nevertheless, the Regional Quality Programme, which is currently being funded under the 9 th EDF and implemented by UNIDO, demonstrates a certain dynamic and results which are, for the moment, satisfactory in the sector of activity, i.e. organization, accreditation and metrology.
PHL
Increases in IPRs, Standards and Quality Assurance administration and enforcement have been primarily visible with regards to IPR as the result of the Philippines participation in ECAP II. Improvements have been achieved in the three areas of IPR Administration, IPR Enforcement and IPR Awareness.
Moldova
The Tacis project "Harmonisation of Moldovan System of Standardisation with the EU" was implemented in 2005-2006. The project's aim was to establish a quality control infrastructure in Moldova to facilitate trade. A number of specific measures were implemented: assessment of technical legislation in the field; analysis of existing legislation gaps and EU requirements on technical harmonisation support; drafting of laws; formulation of recommendations for elaboration of standards framework legislation; and others. But the project was aimed more at identification of problems than formulation of action plans and implementation of concrete steps to deal with them. While it was effective in advocating standards harmonisation, the fact remains that standards remain a significant barrier to expanded Moldovan trade with the EU.

4.6.2.2 I 6.2.2 – Change in use of quality infrastructure services by private sector (e.g. export volumes)

BFA
Force est de constater que 5 ans après ces actions ciblées, aucune entreprise n'est certifiée et aucun laboratoire n'est accrédité.

4.6.2.3 I 6.2.3 – Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

No evidence found in reports
./.

4.6.3 JC 6.3 – Strengthened national capacity to engage at international level of standard setting bodies

Comments / summary
<ul style="list-style-type: none"> No evidence found; may be subsuming this JC as additional indicator under previous JC?

4.6.3.1 I 6.3.1 Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies

No evidence found in reports
./.

4.6.3.2 I 6.3.2 – Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies

No evidence found in reports
./.

4.6.3.3 I 6.3.3 – Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

No evidence found in reports
./.

4.6.4 JC 6.4 – Cost of compliance reduced

Comments / summary
<ul style="list-style-type: none">• Almost no evidence found, if, rather indirect such as in the Philippines case – may be worth reconsidering formulation / positioning of this JC and pertaining

4.6.4.1 I 6.4.1 – Decrease, for private sector, of cost of certification and compliance

PHL
Given that the cooperation programme pays particular attention to helping Philippine exporters meet EU technical and regulatory standards, including a strong focus on SPS measures, one would expect to see an increase in Philippines exports to the EU market in the food sector where SPS are a trade hurdle, e.g. fishery products and fruits/vegetables. Indeed, Philippine food exports to the EU have increased markedly between 2003 and 2008, with an average annual increase of almost 15%, reaching around €265 million in 2008 (PhP 18.5 billion, or about 5% of total RP exports to the EU). This can be seen as evidence for effectiveness in the enhancement of standards in Philippine exports (4.2.2).

4.6.4.2 I 6.4.2 – Reduction in number of export consignments refused for non-compliance

No evidence found in reports
./.

4.7 EQ 7 – To what extent has the Commission’s TRA contributed to deepening regional economic integration?

Central America
<p>El apoyo CE a la integración regional tiene una incidencia directa en el proceso de desarrollo económico, a pesar de que su contribución es difícil de medir. Las acciones que se derivan del apoyo otorgado a la constitución de una unión aduanera y de un mercado común, desde el diálogo hasta los programas de cooperación, han contribuido a establecer un mercado común, que aunque imperfecto, funciona sobre todo como un nuevo espacio comercial atractivo y en crecimiento. Los indicadores del creciente flujo de comercio intraregional tanto de las importaciones como de las exportaciones evidencia que la constitución y puesta en marcha del MCCA ha sido un factor importante de desarrollo económico regional. En este nuevo escenario despliegan sus actividades más de 8000 PYMEs, generando aproximadamente cerca de dos millones de empleos.</p>
(Former) MEDA – general presentation
<p>The Commission interventions contributed to progress on the three pillars of Barcelona, but the achievements vary across countries and are not sufficient to allow the level of economic convergence and harmonisation of governance with the EU that is inscribed within the Barcelona process(C2). Stimulation of regional cooperation proved a major hurdle. The Commission support has contributed <i>inter alia</i> to changes that have been beneficial in terms of strengthened stabilisation, opening-up to trade, international credibility and improved governance at macro and sector levels. Progress towards establishment of the FTA has been realised in terms both of negotiation and of implementation of trade arrangements with the EU and between MPC, and in terms of MPC capacity to sustain the competition it involves. In general, the Commission strategies took account of the various dimensions of the Barcelona process but did not clearly demonstrate how they would contribute to achieve its main objectives. As a result MEDA II contributed to strengthening economic stabilisation and opening up of the MPC economies, but the MPC are not, with exceptions, involved in a dynamic convergence with the EU nor in a significantly closer regional integration. As far as regional integration is concerned, MPC appear one of the least integrated regional groups in the world with intra-regional trade barely above 5% of their total trade. Only the Mashreq group seems to have engaged in increased intra-regional trade but even in that case intra-regional trade is lower than in most other regional trade arrangements. A recent study on trade in services⁴⁸ between the EU and the MPC shows that it is increasing gradually and faster than trade in goods. Tourism and business services are the main components with the MPC having a growing positive balance on the first of these items whereas the EU has an important surplus on the second one.</p> <p>Summary: Although the regional dimension is at the core of the Barcelona process, the Commission has experienced difficulties in stimulating regional cooperation that addresses crucial regional issues, mainly owing to the difficult political situation. It focused instead on the establishment of a dialogue and of networks in areas of common concern. The Commission’s regional interventions, although discussed and endorsed at a high political level with the partners, suffered more often from low visibility and insufficient ownership at country level due to the fact that they were not directly addressing national issues. Together with the relatively modest magnitude of resources allocated compared to the ambitious regional goals, and, in several cases, the absence of national structures to take over post-programme control, this contributed to low sustainability.</p>
TACIS / ENP – general presentation
<p>In the Wider Europe – Neighbourhood communication of March 2003 the EC published proposals for offering Russia, the Western NIS and the Southern Mediterranean countries opportunities to build closer economic and political relations with the Union, extending the four freedoms (movement of: goods, services, as well as factors of production, capital and labour, the latter under restrictions however) along EEA (European Economic Area) lines, with the stated aim of promoting stability and prosperity in the wider region and of avoiding the drawing of new dividing lines in Europe.¹² This was followed by the adoption of a new European Neighbourhood Policy¹³(ENP). The list of NIS covered by the ENP now includes Moldova, Ukraine, Belarus, Georgia, Armenia and Azerbaijan. As part of its strategic partnership with the EU Russia has agreed instead to cooperate in the construction of four Common Spaces (Economic; Freedom, Security and Justice; External Security; Research, Education and Culture). For all these states, including Russia, a European Neighbourhood and Partnership Instrument will replace TACIS from 2007.</p>

4.7.1 JC 7.1: Degree to which Commission TRA facilitated the development and conclusion of regional legal and institutional architecture, addressing key issues for economic integration

Comments / summary
<ul style="list-style-type: none"> • Regional strategy documents seem to have analysed main strategic directions (from 9th EDF on only), but seem to fall short of providing tailored/specific responses how to cope with strategic challenges and capacity constraints at a more operational level • Limited political support of regional integration seems to hamper • In general, regional integration slow (especially in Sub-Sahara Africa) with limited visibility of corresponding TRA • Lack of ownership visible with one reason for that consisting of low capacities/resources at regional level • Central America seems to be a good case in point for further assessment of positive and negative aspects of TRA achievements • JCs seem to only partially grasp the level of regional integration and corresponding TRA as such, may be through slight adjustment of indicators under 7.3 feasible?

4.7.1.1 I.7.1.1 Commission regional policy and strategy documents identify appropriate actions to address key barriers for regional integration (regulatory/ legislative, institutional) and to assist adjustment (gap analysis and programming)

Central Africa
<p><i>Recommendation:</i></p> <p>La gouvernance doit être au centre de la nouvelle programmation. La nouvelle Stratégie pour l’Afrique met l’accent en première place sur la paix, la sécurité et la bonne gouvernance. En deuxième lieu il y a la croissance économique, le commerce, le développement du secteur privé, les infrastructures et l’interconnexion. En effet, nous avons constaté que malgré les bonnes intentions, la gouvernance n’occupe pas encore une place dans la mise en oeuvre de la stratégie régionale. De plus, certains aspects de développement du secteur privé ne sont pas pris en compte à l’heure actuelle dans le PIR et la complémentarité avec d’autres instruments de la CE tel que l’appui du CDE, le programme PROINVEST reste à améliorer.</p> <p>La perception d’une absence de volonté politique favorable à l’intégration régionale, ressentie souvent comme une perte de souveraineté et partage de pouvoir. Le commerce intrarégional reste très faible, de l’ordre de 2% du total des importations, et de 1% seulement à l’exportation.</p> <p>Dans le 9^{ème} FED, une attention plus importante a été accordée aux aspects institutionnels et notamment au rôle des deux organisations régionales (la CEMAC et la CEEAC) dans la mise en oeuvre de la stratégie.</p>
SADC
<p>The evolution of the strategy and the areas of EC support reflect developments in the SADC region, and the specific areas of support are indeed relevant to regional integration within SADC.</p> <p>The issue of the multiplicity of regional organisations has not been adequately tackled, neither by SADC nor by the EC. In addition, the split of SADC Member States into two EPA groups definitely complicates inter-, and intra-regional co-operation, even though there will still be a number of programmes that can be implemented whether a country is a member of SADC or not.</p> <p>A major concern remains the absorptive capacity to implement the regional programme. This has caused major delays in a number of important Regional Integration and Trade programmes (to such an extent that these were only at the approval stage when the Evaluation was in its field phase). This will inevitably present problems in evaluating impact.</p>
Central America
<p>Recommendation:</p> <p>Intensificar el apoyo al proceso de integración económica a través del diálogo político y la cooperación regional. Es necesario consolidar y profundizar los avances registrados en la integración en los últimos años, en particular en lo referido a la culminación de la union aduanera, el establecimiento de un mecanismo de distribución de los ingresos arancelarios, las normas comunes en materia de libre comercio</p>

de servicios, régimen de inversiones, propiedad intelectual y resolución de diferencias comerciales regional. Así mismo, es de mucha importancia consolidar el desarrollo económico regional promoviendo la armonización de políticas comunes. El desarrollo sostenible del MCCA y de la Unión Aduanera pasa por la definición de políticas comunes, necesarias para mejorar la competitividad de las economías centroamericanas y hacer frente a las asimetrías entre los socios, respondiendo a las exigencias de liberalización que suponen tanto el CAFTA-RD como el futuro Acuerdo de Asociación Centroamérica-UE. Acciones vinculadas a la formulación y diseño de políticas como: la política comercial común, la política fiscal y tributaria, la política macroeconómica de armonización (cambiaría por ejemplo), y la política industrial y agrícola, deberían ser abordados para darle dinamismo, credibilidad y transparencia técnica y social al proceso de integración económica. La combinación del diálogo político y la cooperación regional puede ser el mayor mecanismo para ello. El proceso de negociación del Acuerdo de Asociación ofrece una oportunidad para dar continuidad a dicho diálogo político y asegurar la sintonía de la cooperación regional con la agenda de la integración económica.

MEDA

Regional conflicts and tensions have been a considerable obstacle to the implementation of MEDA II and limited the willingness of the MPCs to cooperate together. In this difficult context, the Commission's regional cooperation in the MEDA area has been used more as a platform of dialogue than for solving common regional issues.

West Africa

C'est seulement à partir du 9ème FED que la Commission Européenne a entrepris d'explicitier les objectifs de sa coopération avec les pays ACP au niveau national et régional à travers des documents de stratégie. Le document de stratégie du 9ème FED pour l'Afrique de l'Ouest ne propose pas une analyse des besoins de la région dont seraient dérivés les axes d'intervention de l'aide européenne. Ce document, se fixe d'emblée pour objectif d'appuyer le processus d'intégration économique promu par les deux organisations régionales que sont la CEDEAO et l'UEMOA. La contribution que ce processus d'intégration peut apporter à l'obtention d'une croissance forte et durable des Etats de la région et à la lutte contre la pauvreté est postulée sans qu'en soient explicités les fondements et les conditions. Ainsi, plutôt qu'une analyse des besoins de la région, le document de stratégie présente-t-il une analyse de l'intégration régionale, dont il détaille les avancées et les limites avec une attention particulière portée aux faiblesses des deux organisations régionales. Une conséquence négative de cette approche est qu'elle ne crée pas les conditions d'une articulation forte entre la stratégie régionale de la Commission et les stratégies qu'elle met en oeuvre au niveau des Etats.

L'appui de la CE semble alors servir principalement à accomplir des tâches opérationnelles au lieu de créer une capacité interne pérenne. Les documents de planification de la CE indiquent seulement les domaines dans lesquels la CE apportera son soutien, et ces domaines sont définies en termes d'objectifs vagues et non pas en termes de résultats.

Un rapport d'audit institutionnel de l'UEMOA a été préparé en 2005-6, avec un tableau des recommandations que l'UEMOA acceptait. Les discussions sur le terrain nous ont permis d'observer que la grande majorité des recommandations a été mise en oeuvre. Dans le cas de la CEDEAO, l'équipe d'évaluation a été informée lors de la mission sur le terrain de ce que les recommandations de leur audit interne demandé par la CE (surtout financier) avaient toutes été mises en application, mais aucun document ou « autre preuve » n'a pu être fourni en appui à cette affirmation.

4.7.1.2 I 7.1.2 Regional trade and investment policy strategies in place and embedded in a coordinated agenda for implementation

Central Africa

L'analyse menée dans ce rapport sur le 40rganiz africaine dans lequel se situe l'intégration économique régionale en Afrique 40rganiz indique clairement la nécessité d'une prise en compte de la vision long terme d'intégration de l'Union Africaine.

SADC

The level of SADC policies, protocols, and programmes are generally well conceived and constitute in these aspects a high degree of ownership. However, SADC's ownership is highly affected by the capacity constraints it encounters – to a large degree due to the restructuring of the 40rganization and inadequate staffing levels – which imply that there are not adequate resources to facilitate implementation at neither the regional nor national levels.

Most support programmes can in large measure be implemented irrespective of the dynamics of regional integration, although implementation may be a challenge in countries belonging to both SADC and COMESA or the EAC. However, the customs administration programme and support to the Finance and Investment Protocol need to take careful account of the potential consequences of the ongoing EPA negotiations and the potential ramifications on SADC as an organization with a possible split into a smaller SADC EPA and a larger much looser SADC, less relevant as a vehicle for regional integration beyond a Free Trade Area.

Recommendation: EC facilitates the EPA related discussions at the regional as well as the national level, while also addressing coordination and harmonization issues between SADC and COMESA, and assisting the discussion on the optimal constellation of states in the two emerging EPA groups.

Central America

Las intervenciones de la CE han contribuido positivamente a la profundización de la integración en su vertiente económica. La Estrategia Regional de la CE y, en particular, el programa de apoyo a la unión aduanera, han sido y son un apoyo efectivo al proceso de integración económica al atender a dos dimensiones relevantes en ese proceso. Por un lado, al apoyar la configuración de un espacio de libre circulación, se refuerza la creación de interdependencias económicas regionales (dinámicas de “regionalización”). Por otro lado, se ha apoyado la constitución del marco regulador y las políticas de apoyo de dicho proceso (“regionalismo”) a través de la constitución de la unión aduanera, y, en menor medida, de otras políticas comunes. Sin embargo, los importantes avances del proceso desde 2003 son atribuibles, sobre todo, a “catalizadores externos” como la negociación del CAFTA-RD y, sobre todo, el proceso de evaluación conjunta iniciado tras la Cumbre de Guadalajara (2004), que llevó a la decisión adoptada en la Cumbre de Viena (2006) de entablar negociaciones para la firma de un Acuerdo de Asociación UE-CA.

Pacific

With respect to regional integration, the evaluation notes that the Commission has given valuable support to movements within the region supporting regional economic integration and has enhanced regional cooperation through its regional strategy and programmes. Regional integration has also been fostered by the prospect of a future EPA with the EU as well as by the accompanying Trade Related Assistance provided by the Commission, which contributed to increasing the capacity of the region’s institutions for preparing and negotiating the EPA

4.7.1.3 I 7.1.3 New protocols, framework agreements or harmonised regulations agreed and implemented

Central America

En febrero de 2007, la zona de libre comercio centroamericana mantenía un reducida lista de excepciones para los cinco países, con sólo dos productos (café sin tostar y azúcar de caña), y algunos más en las relaciones bilaterales (café tostado, alcohol etílico, derivados del petróleo y bebidas alcohólicas destiladas). Por otra parte, la unión aduanera centroamericana ha experimentado un notable desarrollo en los dos últimos años. A finales de 2006 el 94,6% de los rubros del Sistema Arancelario Centroamericano (SAC) se encontraban armonizados, y del 5,4% no armonizado, la mayor parte eran productos agrícolas sensibles y medicamentos. Como se ha indicado, en este ámbito las actuaciones más relevantes son el Programa de Apoyo al Diseño y Aplicación de Políticas Comunes Centroamericanas (ADAPCCA) y el proyecto de apoyo a la Unión Aduanera (UAC). La valoración de los actores consultados coincide, de manera prácticamente unánime, en resaltar el importante aporte técnico del proyecto de apoyo a la unión aduanera. Ya se ha señalado que algunos componentes de la unión aduanera, como el Nuevo Código Aduanero Uniforme Centroamericano (CAUCA), la conexión informática de las aduanas y las administraciones tributarias, y las propuestas relativas al sistema de cobro del AEC son el resultado de las actividades de Programa UAC. Ahora bien, sin menoscabo de la valiosa contribución realizada por dichos proyectos, el juicio generalizado que el proceso de valoración conjunta que se ha desarrollado entre 2005 y 2006, en palabras de un diplomático centroamericano destacado en Bruselas, “ha logrado en seis meses avances que antes habían tardado seis años”. El incentivo del Acuerdo de Asociación y en particular, la posibilidad de que se diera “luz verde” a las negociaciones en la Cumbre de Viena han actuado como verdaderos catalizadores del proceso de integración económica. En marzo de 2006, en particular, los

Presidentes acordaron un Plan de Acción para la Unión Aduanera que incluye la firma de varios instrumentos jurídicos y la firma de un Convenio de Unión Aduanera a más tardar el 31 de diciembre de 2006, que se considera condición básica para el inicio de las negociaciones. De igual manera, la UE ha instado a la parte centroamericana a la ratificación y aplicación del Tratado sobre Inversiones y Servicios, que supondría un avance muy importante en materia de libre circulación de capitales y personas.

Pero a pesar de todos estos logros en la integración, quedan pendientes aspectos que traban el proceso e impiden el logro de un mayor nivel de compromiso entre los centroamericanos. Por ejemplo, el SICA todavía adolece de un marco que haga cumplir las normas y los acuerdos suscritos, todavía se antepone decisiones unilaterales sobre las regionales sobre los acuerdos realizados; la gestión y su capacidad operativa es frágil y muy dependiente de la decisión nacional de turno político en cada país, y al no contar con una fuente de financiamiento automático, su capacidad de ejecución es muy restringida y ha sido varias veces postergada.

En este sentido la integración "formal" y sus instituciones son débiles y sin suficientes recursos, las barreras nacionales para lograr una mayor libertad y circulación de bienes, y de personas entre los países miembros se antepone a un esquema de integración abierto. Las normativas para armonizar los aspectos legales, económicos, sociales y/o medioambientales, son todavía un freno a la integración.

Pacific

Regional trade treaties, supported through PACREIP, are specifically seen as steps on the path towards integration into the world economy, and the Commission's interventions have generally contributed substantially to increasing the trade related capacities of regional bodies as well as to their cohesion on trade-related matters. EC interventions have contributed to regional integration as a stepping stone to further integration into the world economy: this can be considered validated as the support for regional integration provided to the PACP States within the framework of the EC regional strategies has contributed to enhancing the participation of the region in broader trade arrangements.

West Africa

L'UEMOA et à un moindre degré la CEDEAO ont accompli un important travail législatif, réglementaire et d'étude visant à créer les conditions de l'intégration régionale des économies d'Afrique de l'Ouest. Cette activité des organisations régionales a porté tout à la fois sur les déterminants directs de l'échange et sur les politiques macroéconomiques et sectorielles d'accompagnement. La Commission Européenne a soutenu le processus d'intégration régionale par un appui direct constant à l'activité des organisations régionales et, à travers les programmes PARI, par une aide au développement de la capacité des Etats de la région à prendre part activement à ce processus.

Force est cependant de constater que l'intégration régionale ne progresse que lentement. De l'avis des personnes consultées au cours de la mission de terrain, cette situation tient pour l'essentiel au peu d'empressement des gouvernements à mettre en application les décisions auxquelles ils ont souscrit dans le cadre des instances régionales.

La Commission Européenne a contribué dès l'origine à la formulation du projet de surveillance macroéconomique et à l'harmonisation des systèmes statistiques et de comptabilité nationale, qui était une condition essentielle au fonctionnement du dispositif.

La mise en place des Comités Nationaux de Convergence appuyée. Dans le domaine de la politique de concurrence, la Commission Européenne a financé les études préparatoires à la formulation des Règlements, une série d'études sectorielles et les réunions d'information organisées par la Commission de l'UEMOA dans les Etats membres. En matière de droit des affaires, la Commission Européenne, à travers le programme PARI, a apporté son soutien à l'Ecole Supérieure Régionale de la Magistrature, qui est une pièce essentielle de la mise en oeuvre du droit unifié

4.7.1.4 I 7.1.4 Number of regional economic communities supported by Commission TRA that have adopted provisions on TBT, SPS and trade facilitation

SADC

In SADC the perception of the openness of Member States to trade has remained static between 2000 and 2007 – as measured by the Trade Index of Economic Freedoms. This would suggest that while the region has liberalised and reduced tariffs through e.g. the SADC Trade Protocol, barriers to trade may be

changing shape rather than falling away. Mitigating the extent to which food safety becomes a barrier to trade is also extremely important in liberalising intra SADC trade. Agriculture is a particularly sensitive area and subject to non-tariff restrictions that are due to be removed – under the provisions of the SADC Trade Protocol – in 2008. However, enforcement capacities in food safety standards are accepted by Member States to constitute a significant obstacle to further SADC regional integration.

Central America

Por otra parte también se observa avances muy significativos al proceso de consolidación del mercado común. La puesta en marcha de apoyo a la unión aduanera supone una importante colaboración. El comercio intraregional se ha incrementado sustancialmente convirtiéndose en el segundo mercado más importante para los países miembros, después de EEUU. La modernización de las estructuras y tecnología aduanera ha incrementado la eficacia del comercio regional. La capacitación y transferencia de know how a funcionarios y técnicos en el manejo administrativo también han impactado positivamente en la gestión regional y nacional respectivamente. La modernización y homologación de los trámites administrativos y en la recaudación de información.

4.7.2 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

Comments / summary

- Limited coordination and implementation of regional commitments at national levels is striking
- Very low coordination between regional and national level trade policy / related TRA
- Low support of regional integration and national level
- Assessment is closely linked to assessment under indicator 3.4.4, i.e coordination at Commission level

4.7.2.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

BFA

Un grand manque de coordination a été observé entre les deux devait consolider les acquis de la phase 1, madémontrant une faible érémanence des acquis de l'ensemblésentiellement liées aux (l'UEMOA) et les acteurs nationaux duet/ou perçue au niveau ncontrôle qualité . le Burkina Faso à l'instar des autres états de la sous-région n'est pas assez engagé pour soutenir sa composante nationale. Les pays de la sous-région ont été interpellés par l'UEMOA pour qu'il existe des contributions étatiques tangibles au niveau du prix qualité et des infrastructures nécessaires. Le Burkina Faso à l'instar des autres états de la sous-région n'est pas assez engagé pour soutenir sa composante nationale. Les pays de la sous-région ont été interpellés par l'UEMOA pour qu'il existe des contributions étatiques tangibles au niveau du prix qualité et des infrastructures nécessaires.

CAF

En matière d'appuis macroéconomiques, selon les conclusions du récent rapport provisoire d'évaluation à mi parcours du Programme d'appui institutionnel à l'intégration régionale à l'Afrique centrale (PAIRAC), il y a une certaine méconnaissance des stratégies, des acteurs, des procédures, structures d'intervention et des institutions de la CEMAC, par les autorités nationales.

Central Africa

A ce titre on dénote un écart potentiel entre les stratégies régionales de la CE et les besoins nationaux. Etant donné la faible appropriation de la stratégie régionale de la Commission par les partenaires régionaux et les faibles liens entre politiques nationales et régionales on peut se demander si la Commission a accordé suffisamment d'attention à ces liens et au problème compliqué d'appropriation. On dénote, comme l'indique le rapport de la reunion de la *task force* du 24 mai 2005, que les pays

<p>manquent de stratégies commerciales appropriées et que les comités nationaux de préparation des APE ne sont pas organisés afin de fournir au Secrétariat Exécutif de la CEMAC les positions nationales pour une négociation adéquate. En principe, cette Task Force de Préparation Régionale (TFPR) a pour rôle de faire le lien entre les APE (commerce) et les appuis au développement, mais dans la pratique il manque des mécanismes pour effectivement constituer ce lien. Dès lors, la cohérence sur le terrain entre la politique de développement et la politique commerciale reste à améliorer.</p>
<p>SADC</p> <p>SADC Member States' ownership of the regional programme is limited as Member States do not support the SADC national Committees adequately. Neither is the regional perspective well elaborated in national plans and development programmes. If progress is to be made with the regional agenda then the constructive participation of SADC Member States' in the regionalization process is imperative. The prospect for alignment is further compounded by the EC's lack of strategies and resources at the national level (as reflected in the CSP/NIPs) to pursue the regional integration and economic growth agenda. The prospect for alignment is further compounded by the EC delegations' lack of strategies and resources at the national level to pursue regional integration and economic growth.</p> <p>For support to regional integration and trade to be effective, implementation at Member State level is important. The Member States are the key actors for adhering to the SADC protocols and for developing their regulatory frameworks accordingly. The effectiveness and efficiency of working only through SADC to achieve the objective of regional integration has been brought into doubt. Other donors in the region have been seeking to work with a broader range of delivery mechanisms at regional level. In order to operate in an equivalent manner within the framework of ACP – EU procedures would require flexibility and innovation in how the EC and the RAO work together. They would need to jointly identify activities and institutions to support to achieve the objectives of the RISDP and the RSP but which may either require innovation in, or be outside of, the protocols and institutional framework of SADC.</p>
<p>Central America</p> <p>Con referencia a la complementariedad entre los programas bilaterales y regionales de apoyo al proceso de integración, esta es en todo caso secundaria. De igual manera, no se contemplan mecanismos y procedimientos de coordinación. En la mayoría de casos consultados se observa que la integración regional se considera objeto de la cooperación regional, y no de la bilateral.</p>
<p>MEDA</p> <p>Regional interventions suffered from insufficient ownership in the countries in which they were implemented due to the fact that they were not directly addressing national issues. Whereas identification and preparation of theregional activities were discussed and endorsed at a high political level, their implementation, at country level had limited visibility and reduced ownership when they did not address directly national issues. Together with the relatively modest magnitude of resources allocated compared to the ambitious regional goals, and, in several cases, the absence of national structures to take over post-programme control, this contributed inevitably to low sustainability.</p>
<p>West Africa</p> <p>La faible cohérence entre stratégie régionale et stratégies nationales et le défaut de coordination entre les Délégations de la Commission Européenne au niveau régional font que la Commission n'exploite pas pour la mise en oeuvre de sa stratégie régionale l'atout que pourrait constituer sa présence auprès des deux organisations régionales et dans tous les pays de la région. Les organisations régionales, particulièrement la CEDEAO, ont un important besoin de développement de leurs capacités, notamment en matière de programmation et de suiviévaluation. L'assistance technique de la Commission Européenne, étroitement centrée sur le suivi du seul PIR, ne répond pas à ce besoin de manière satisfaisante. Aucune réponse n'est apportée à ce jour, ni par les organisations régionales, ni par la Commission Européenne, au besoin d'un suivi-évaluation de la mise en oeuvre des actions d'intégration régionale et de leurs résultats. On a relevé plus haut⁵⁷ le manque de cohérence entre la stratégie régionale de la Commission et ses stratégies au niveau pays.</p>
<p>Thailand</p> <p>The Thailand components of regional programmes (such as the ASEAN standards programme, ECAP, Asia Pro Eco, Asia Trust Fund etc.) and to a lesser extent bilateral programmes (such as SPF) have had indirect effects on resolving and - equally importantly - preventing trade conflicts by helping Thai stakeholders to comply with international and EU norms, standards and regulations. These interventions contributed to a more balanced partnership than the one that would have occurred in the absence of EC cooperation programmes. The limited resources available to the EC made this contribution marginal.</p>
<p>Nigeria</p> <p>ECOWAS still greatly lacks the capacity to fulfil its functions from which Nigeria could benefit</p>

substantially. However, the political will in Nigeria to make best use of the inherent potential of regional integration did not appear to be strong and the country has only recently started greater engagement in ECOWAS.

4.7.2.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

This question is about EC measures on national level aimed at facilitating the implementation of regional economic commitments.

Central Africa

Bien que le 9ème PIR mentionne le besoin de cohérence et de complémentarité avec les stratégies au niveau national, les PIN, de leur côté, ne font guère référence au PIR en termes d'intégration régionale (hors transport), ni en termes d'assistance au développement du commerce. Ceci reflète le fait que la dimension commerce et développement ne semble pas être suffisamment prise en compte dans les relations de la Commission avec les Etats membres de la région, et cela, malgré l'importance de cet aspect. En effet, les stratégies nationales n'accordent guère d'attention aux aspects commerciaux. Ceci contribue à rendre difficiles les négociations commerciales puisque aucun des pays de la région n'a, à ce jour de véritable politique commerciale claire et bien définie avec des objectifs globaux et spécifiques clairs, de connaissance approfondie du système commercial multilatéral, ni de données et stratégie pertinentes permettant de définir une position dans le cadre des négociations APE ou OMC. Par ailleurs le Programme d'Appui à l'Intégration Régionale – PAIRAC (qui fait partie du PIR)- ne contient pas de composante pour le développement du commerce, mais comporte un volet sur le commerce lié à l'APE. En revanche, le PIR n'accorde guère d'attention aux aspects de lutte contre la pauvreté

SADC

Moreover, the NIPs only have a national focus and work with national institutions. Regional priorities as contained, for example, in the RISDP, are well reflected in the RSP/RIPs, but less so in the CSP/NIPs. The enhancement of coherence between RSP/RIP and CSP/NIP will be a key factor in facilitating the Commission's future regional support.

Recommendation: The EC institute the practice of regional delegations meeting regularly to address regional issues; that national delegations join the debate on regional integration; and that budget lines are provided to allow for this to happen.

West Africa

Tous les informateurs rencontrés par les consultants s'accordent pour dire que les progrès de l'intégration régionale sont effectivement lents et pour considérer que le principal facteur explicatif de cette situation réside dans le peu d'empressement, voire la réticence, des Etats à mettre en application les engagements qu'ils ont pris dans le cadre des instances régionales.

Uganda

EC support has contributed positively to promote the GoU's regional integration agenda: regional integration was an essential cooperation objective with Uganda. The evaluation team found that whereas regional integration is high on Uganda's political agenda, the regional dimension was not adequately incorporated in national development plans and investment programmes until the recent National Trade Sector Development Plan, nor does it allocate appropriate levels of funding to promote regional integration.

4.7.3 JC 7.3: Degree to which Commission TRA strengthened institutional capacities of regional secretariats to support regional integration processes

Comments / summary

- Evidence of limited improvement of capacities (evidence/assessments of specific regions are broad and provide a wealth of findings; see below)
- Indicators seem to be too narrow to grasp institutional capacity building outcomes
- Involvement of CSO seemed to be rather limited, albeit with some promising examples towards the end of the evaluation period
- Distinction between capacity building outcome and output seems to be challenging (when

assessing evaluation reports)

- Monitoring of TRA seems to be challenging – measurement of regional integration level difficult.
- *Attention: following our discussion with the Commission, a clear distinction between private sector organizations (commercial advocacy) and civil society as such is needed*

Central Africa

Cependant, il se pose un problème d'adéquation entre les buts, les objectifs et les moyens des communautés économiques de l'Afrique centrale (CEEAC, CEMAC) et les défis que la mondialisation impose aux pays de la sous-région. Se dégage également le problème de la pluralité des systèmes et des structures d'intégration et de coopération, qui contraint les pays d'Afrique centrale à appartenir à différentes communautés économique regionaux (CEEAC, CEMAC, mais aussi la SADC, La COMESA et/ou la CEPGL), lesquelles seraient à différents stades d'intégration ou d'application de certains programmes ; d'où quelques difficultés techniques, voire l'inefficacité et la stagnation du processus d'intégration en raison de la dispersion d'une énergie diplomatique et économique disponible en faible quantité.

Central America

La falta de voluntad política de los Gobiernos, y su preferencia por un esquema intergubernamental, ha afectado la eficacia de las instituciones regionales.

West Africa

On peut conclure qu'en dépit des volontés exprimées dans les documents officiels clés et des ressources financières importantes mises à la disposition des deux instances régionales (CEDEAO et UEMOA) par la CE, celle-ci a eu une influence mitigée quant à la définition des cadres institutionnels et la mise en place des capacités internes nécessaires à mener à terme la consolidation de l'espace économique régional. La CE met des ressources à la disposition des organisations en sachant qu'elles ont des lacunes importantes en termes de capacité à identifier leurs propres besoins (la CEDEAO tout particulièrement). Bien que cette stratégie semble respecter l'esprit de la Déclaration de Paris, elle ne représente pas son intention, ni l'intention stratégique contenue dans les accords signés entre la CE et les instances en question. Ce qui n'est pas clair est l'alignement du soutien de la CE sur les objectifs, priorités et stratégies des instances elles-mêmes, et ce dans un contexte de viabilité institutionnelle à long terme.

4.7.3.1 I 7.3.1 Robust analysis of the level of regional capacity and clear identification of drivers and constraints for improving capacity

No evidence found in reports

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4.7.3.2 I 7.3.2 Evidence of effective mechanisms for regional consultations with private sector and other non-state actors to provide voice

Central Africa

Un objectif de développement important de la CE est la lutte contre la pauvreté, ce qui doit se traduire dans la stratégie régionale dans l'objectif spécifique du développement économique et social de la population. Cependant, dans les documents stratégiques et les dossiers des projets et programmes régionaux peu d'attention explicite est accordée à cet aspect 'humaine' du développement régional. Dès lors, certains aspects spécifiques liés au rôle de la population ont été étudiés plus en détail.

Cependant, dans une très faible mesure a-t-on encouragé les citoyens à réfléchir en tant que Citoyen de la CEMAC ou CEEAC. Comme cela a souvent été noté, « la culture de l'intégration n'a pas pris racine dans la région » et personne n'accorde à l'intégration la priorité qu'elle mérite dans les programmes économiques nationaux.

Ni la CEMAC, ni la CEAC n'arrivent à soutenir un dialogue avec les populations à travers les acteurs non

étatiques. D'un côté la faiblesse de la société civile et des acteurs non étatiques en général, surtout au niveau régional, explique cette situation, et de l'autre, la faiblesse des organisations régionales et le faible intérêt pour impliquer les populations joue un rôle. En ce qui concerne la Commission, les acteurs non étatiques, qui sont supposés représenter les populations, ont été invités à prendre part aux séminaires de programmations du 9ème FED et aux diverses rencontres dans le cadre des négociations des APE. Ils sont membres des comités nationaux de négociations et de la *Task Force* des APE. Toutefois leur participation reste modeste, voire symbolique. C'est pourquoi au niveau national, par exemple au Cameroun, des initiatives sont prises pour une meilleure implication des acteurs non étatiques, mais ces initiatives sont encore limitées. On peut donc dire que, sur le plan général, le dialogue entre CE et population n'est pas soutenu.

Central America

En términos generales el proceso de integración sigue siendo un tema poco conocido y es dominio de muy pocos grupos. La mayoría de las opiniones de las personas entrevistadas se centran en que la sociedad civil no está sensibilizada sobre las ventajas de la integración, que es más un tema de grupos de intelectuales y de las organizaciones regionales, y sobre todo de los empresarios que se han visto beneficiados de la cooperación; que la mayoría de la población desconoce el proceso. El peso reducido de los programas desarrollados con las organizaciones de la sociedad civil plantea, a priori, carencias significativas. Más recientemente, en las negociaciones sobre el CAFTA, distintas organizaciones han participado; pero en ese marco, la integración no ha tenido un papel central especialmente por la forma en que se han dado las negociaciones, con condiciones diferenciadas por país lo que ha contribuido a mantener a los países separados, así como a la sociedad civil y con un papel muy limitado para el SICA. Contradictoriamente con el carácter regional del Tratado, ese proceso contribuyó a restarle proyección e importancia a la integración.

Quizás la evidencia más clara sobre los beneficios que tiene la integración se concentra en las organizaciones económicas y comerciales, donde el margen de los apoyos internacionales, se percibe y se vive el fenómeno de la integración de manera directa. La existencia de redes comerciales regionales, de empresas productivas y de servicios y el establecimiento de "join ventures", entre empresas de la región, es un indicador de que hay organismos de la sociedad civil que si están mirando la integración como una alternativa de desarrollo. De la misma manera se ha podido constatar que hay un movimiento cultural y académico, promovido por algunas universidades centroamericanas, que consideran la integración como una fase para el desarrollo regional y por ende nacional. Los eventos promovidos por las universidades en Guatemala y El Salvador, para reflexionar sobre el proceso de integración, ya sea en el marco del CAFTA-RD, o en otros ámbitos, como las relaciones con CARICOM, indican que hay un resurgimiento académico para abordar la participación de CA en los nuevos escenarios internacionales y regionales. En este contexto embrionario de construcción de una sociedad y cultura más integracionista, la CE ha contribuido hasta ahora de manera limitada a la apropiación y comprensión por parte de la mayoría de la sociedad civil de las ventajas que tiene la integración regional hasta 2007.

En opinión de varios de los actores, la cooperación de la CE ha estado muy dirigida a los gobiernos y ha estado más centrada en los aspectos comerciales que en la participación de sociedad civil y el apoyo al fortalecimiento de sus capacidades, lo establecen sus lineamientos. Es sólo con el PAIRCA que se contempla una asignación de recursos para dicho fortalecimiento, aunque el monto es aún limitado con relación al total del programa y a las necesidades (de 15 M€ del PAIRCA, 3,2 se dedican a sociedad civil y únicamente aproximadamente 10% del total se ha canalizado al CC-SICA).

MEDA

With the ENPI regional programme, build on achievements in terms of networks and dialogue to increasingly develop a regional response to the regional crucial issues.

4.7.3.3 I 7.3.3 Increased quality of outputs of TRA supported regional institutions, incl. support to adjustment in member states

Trade.com

There was strong primary stakeholder ownership of the overall and specific objectives, namely to a) promote sustainable development and to contribute to poverty eradication in the ACP through regional integration and their smooth and gradual integration into the world economy and b) improve the capacity of ACP countries and regional organisations to design and implement their own trade strategies and effectively participate in international trade negotiations. Achievements, as measured by advancement of the OVIs, have been significant, especially the support provided under the Hubs & Spokes component

which helped to elevate trade negotiation capacity and knowledge of the RECs and States. All the REC organisations interviewed¹² were emphatic about the valuable support provided by the RTPA. Similar sentiments were expressed by the Ministries of Trade visited where TPAs were or had been present¹³ REC commitment/ownership was reflected in the priorities placed on reinforcing the capacity building assistance obtained under the H&S component with Trade.Com support:

ECOWAS instigation of trade policy negotiations workshop in Brussels (2008); a trade in services workshop (Feb 2009) where skilled facilitators helped design a road map for Trade In Services policy development; and a regional competition authority project planned for July 2010 and EPA legal training for member States.

CARICOM and OECS initiated programmes to improve the capacity to build human resources capacity within selected countries to undertake effective trade policy formulation and implementation; legislative drafting services for trade negotiations and policy formulation; and Competition Commission briefings to Caribbean Court of Justice (CCJ) judges and training for Commissioners.

SADC's requested assistance in capacity building to Competition Authorities in that region; a seminar on legal aspects of trade policy and regional and multilateral trade negotiations for SADC EPA States; and assistance for capacity building for EPA units of its secretariat and of member countries COMESA used the TCP for training courses on the preparation of schedules of commitments for EPA services negotiations for both English and French-speaking member countries; for helping to define the role and functions of an adviser to the ESA configuration for EPA negotiations, and organised a regional seminar for negotiations in trade in services.

CEEAC views Trade.Com support as highly valuable and therefore fully endorses OIF's proposal for a 2nd phase. The organisation has written to the Facility specifically to express their desire to see the project continue. CEEAC is prepared to finance the salary of the Trade.Com expert working on statistics so he can continue to support the programme.

WAEMU pointed out that the support of the programme at national level was very effective and appropriate. The main constraints being the reduced Hub and spoke budget available for each country. Also, other weaknesses are a) the need to obtain the notice from the EU Delegation and b) late approval of the activity programme by OIF.

Central Africa

La CEMAC – pas plus que l'UDEAC avant elle – et la CEEAC n'ont toujours pas fait de progrès remarquables dans les domaines de la libéralisation ni de la facilitation des échanges ou de la libre circulation des personnes et des biens. On constate encore des considérables écarts entre les objectifs et les réalisations des deux communautés économiques régionales (CEMAC et CEEAC), notamment en ce qui concerne le développement du commerce intérieur, la convergence macroéconomique et la production. Après une grande crise dans les années 90, la CEEAC a progressivement repris à partir de 1999 ses activités en mettant l'accent sur la restauration de la paix et la prévention des conflits. Au fur et à mesure, la poursuite de la création d'une zone de libre échange et d'une union douanière, ainsi que l'harmonisation des politiques sectorielles nationales, se sont ajoutées aux activités de la CEEAC.

La stratégie CE nécessite d'être constamment à l'écoute de la région et de ses institutions régionales qui se développent à leur rythme. Sur cet aspect la pertinence de cette stratégie est atténuée par la non réactivité au développement qui se fait au niveau du Secrétariat de la CEEAC. Ces dernières années en effet, on constate un regain de vigueur de la CEEAC dans le cadre du NEPAD sans que la PIR n'apporte une assistance. Le PAIRAC en cours de mise en oeuvre n'a pas envisagé d'intervention en dehors de la CEMAC. le choix dans la stratégie 9^{ème} FED pour les deux organisations régionales comme ordonnateurs régionaux est pertinent, mais un suivi régulier des deux organisations et de la 'compétition' et l'entente entre celles-ci est requis. La Commission a certainement veillé à un suivi régulier de la CEMAC à travers les audits institutionnels et des rapports annuels (voir chapitre 2). La Commission, cependant, n'a pas accordé beaucoup d'attention au développement de la CEEAC et au choix de l'Union Africaine et de la NEPAD pour la CEEAC comme organisation régionale de référence.

SADC

The combination of an organization lacking capacity (SADC) with an organisation where adherence to proper procedures is very important (EC) has contributed to delays at all stages of implementation. The EC's institution-based focus has also made a genuine regional vision difficult – in the sense that the RIP's focus tends to be on the institution and its processes, rather than on the issues. Meanwhile, other IFCs are starting to become involved in regional funding of programmes which by-pass SADC structures and which are increasingly issue-based. SADC, as an organisation remains weak both at the regional level as well as at the national level. National level interests continue to take precedence over the regional level,

and there is no guarantee that decisions taken at the regional level will be implemented nationally.

Central America

En este ámbito, hay diferencias significativas. Algunas instituciones regionales, como SIECA, han mejorado significativamente sus capacidades técnicas con el concurso directo de la cooperación de la CE. En la SG-SICA, las modalidades de implementación de PAIRCA no se han traducido aun en mejoras institucionales significativas: el trabajo hecho en el marco del sistema de información integrado y de seguimiento de los mandatos es sin duda alguna crucial y el diálogo entre direcciones ha mejorado pero aún es pronto para valorar el impacto del Programa. Sin embargo, frecuentes incumplimientos y retrasos por parte centroamericana parecen condicionar el éxito de la estrategia y de los programas y proyectos concretos, y si bien hay progresos visibles en cuanto a la unión aduanera, la adopción de otras políticas comunes o la reforma de las instituciones regionales registran pocos avances.

Recommendation:

Más atención a la dimensión institucional de la integración. La cooperación regional de la CE está condicionada por la débil capacidad institucional del SICA. Por lo tanto, se recomienda apoyar la reforma institucional y la racionalización del SICA, mediante las siguientes acciones: mejorar su eficacia a la hora de trasladar los acuerdos de las instancias presidenciales y ministeriales a acciones concretas; mejorar la seguridad jurídica en las normas regionales, cuya naturaleza jurídica es poco clara; crear un mecanismo efectivo de resolución de controversias; y establecer un mecanismo de financiación estable de las instituciones regionales.

West Africa

La CE appuie de façon importante le processus d'intégration de la région mais se concentre trop sur les aspects institutionnels de cette intégration, spécifiquement sur le développement de la capacité de la CEDEAO et de l'UEMOA. Bien que la CE ait appuyé les activités internes de développement institutionnel des deux organismes en question, leur capacité interne demeure largement insuffisante, surtout à la CEDEAO, et met en question la capacité de cette dernière à définir sa propre stratégie de gestion interne. La CE n'a pas appuyé suffisamment la société civile dans ce dossier au cours des deux FED en question, et continue à utiliser des instruments et des systèmes de gestion trop lourds pour bien répondre aux besoins de la région; en conséquence, l'appui de la CE devient une source de complexité (voir questions des postes transfrontaliers) et les partenaires se tournent vers d'autres sources d'appui, notamment les banques.

La CEDEAO que l'UEMOA reconnaissent que leurs efforts pour la libéralisation des échanges en Afrique de l'Ouest ont bénéficié de l'appui constant de la Commission Européenne à travers la fourniture d'études préparatoires à l'élaboration des mesures, l'apport d'assistance technique, le financement d'une partie des coûts budgétaires induits par la libéralisation des échanges, la fourniture d'équipements.

L'efficacité des structures reste limitée et le besoin d'appui technique et financier demeure important, notamment pour la CEDEAO, pour ce qui concerne l'amélioration de la conception des politiques et des stratégies, la prise de décisions, l'organisation, les procédures et les méthodes de travail, le recrutement et la formation du personnel, les systèmes et équipements NTC, la gouvernance, la communication avec les États membres et la transmission des décisions, leur suivi ainsi que le fonctionnement réel des organes et institutions des organisations régionales.

Un handicap majeur de la Commission de l'UEMOA, souligné par l'audit institutionnel réalisé en 2007 pour la Commission Européenne, réside dans la faiblesse de sa capacité de programmation. Cette carence est particulièrement problématique face à la volonté de l'UEMOA, exprimée dans le PER, d'ajouter à son activité d'étude des activités de conception, coordination et supervision d'interventions dans les États membres. Au demeurant, la Commission de l'UEMOA est consciente de la nécessité de renforcer sa capacité en matière de planification et programmation et s'est dotée à cet effet, depuis 2006, d'une unité de planification stratégique placée directement sous la responsabilité du Président.

4.7.3.4 I 7.3.4 Existence of operational monitoring mechanisms for implementation and impact measurement (from e.g. ex- and importers) of regional agreements

SADC

The combination of an organization lacking capacity (SADC) with an organisation where adherence to proper procedures is very important (EC) has contributed to delays at all stages of implementation. The EC's institution-based focus has also made a genuine regional vision difficult – in the sense that the RIP's focus tends to be on the institution and its processes, rather than on the issues. Meanwhile, other IFCs are starting to become involved in regional funding of programmes which by-pass SADC structures and which are increasingly issue-based. SADC, as an organisation remains weak both at the regional level as

well as at the national level. National level interests continue to take precedence over the regional level, and there is no guarantee that decisions taken at the regional level will be implemented nationally.

West Africa

La contribution de la Commission Européenne aux progrès vers la libéralisation des échanges en Afrique de l'Ouest n'est pas directement mesurable: en dépit du travail législatif et réglementaire accompli par les organisations régionales et malgré les appuis de la Commission Européenne à leurs initiatives, il s'avère extrêmement difficile, voire impossible, de mettre statistiquement en évidence les progrès de l'intégration régionale. C'est le cas en matière d'échanges commerciaux. Ce l'est également en ce qui concerne la convergence macroéconomique. Les statisticiens soupçonnent que les statistiques commerciales sous-estiment largement les échanges intra-régionaux. Ceux-ci ne donnant plus matière à perception de droits de douane, ils ne seraient que très partiellement enregistrés par les services des douanes. Cette hypothèse est à corroborer par l'abondance dans les pays de la région de publicités commerciales vantant les mérites de produits originaires d'autres pays de la région et par le développement d'entreprises destinées à fournir le marché régional.

Ni la CEDEAO, ni l'UEMOA ne disposent d'un outil intégré de suivi-évaluation de leurs activités et moins encore du processus d'intégration régionale. Les rapports d'activité des deux organisations fournissent des éléments pour un tel suivi. Mais ceux-ci restent ponctuels, disparates et variables d'un rapport annuel au suivant.

4.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

MEDA
<p>Most programmes have delivered their expected outputs with substantial advantages for the direct beneficiaries. Positive moves have been observed in all MPC in terms of economic stability, competitiveness and trade. The significant breakthrough of exports from the MPC to the EU and the intensification of intra-regional trade that would be necessary to reach the objective of shared prosperity (2d Pillar of Barcelona) have not taken place at the expected pace notwithstanding the increased financial resources and the faster disbursement of MEDA II. In terms of trade the region remains one of the least integrated in the world; its international trade is progressing but more with the rest of the world than with the EU, and a majority of MPC are losing international market shares.</p> <p>The main explanatory factors behind these trends are the lack of export diversification of many MPC economies and, therefore, the absence of complementarity between their economies, and a slow pace of economic and political reforms that limited their competitiveness.</p> <p>MEDA II interventions contributed to strengthening economic stabilization and opening the MPC economies through 1° successful stimulation of the establishment of the FTA and 2° positive intervention results aimed at macroeconomic reforms and development of trade and the private sector.</p>

4.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

Comments / summary
<ul style="list-style-type: none"> Evidence of capacity enhancement of trade promotion services seems to be limited, especially when looking at sustainability

4.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government

BFA
<p>Le secteur privé et les PTF ont contribué à influencer le gouvernement à se doter d'un cadre législatif pour assainir et structurer le secteur. C'est ainsi que sous son influence, des textes de réglementation des marchés publics, d'appui à la création et à l'accompagnement des entreprises, des concertations entre le secteur privé et le gouvernement ont été initiés et mis en œuvre.</p>
West Africa
<p>Les organisations de la société civile, notamment du monde des affaires, ont pris une part active aux discussions autour du projet d'Accord de Partenariat Economique.</p>

4.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

DOM
<p>EC support is output based (outsourcing provided) and capacity development remains a challenge in an evolving framework in the competitiveness sector (cluster approach potential impact in restructuring private sector network).</p> <p>Results have been limited because the programme's capacity building activities meant to strengthen institutions in charge of BDS provision to SMEs converged mainly on 4 institutions³⁴ and left aside important business and financial service providers, such as universities, Technical Assistance Fund (FAT) operators, technical institutes, non-bank financial institutions. Moreover, activities mostly focused on operational capacity building such as the creation and installation of CONAMYPE's 3 Business Development Centres, leaving aside institutional management (effectiveness, efficiency, credibility), knowledge and financial strengthening. Third, institutional strengthening has been misunderstood and a great part of the capacity building funds were used to pay salaries and administrative expenditures, to the detriment of technical and knowledge capital, which explains the low level of sustainability of the</p>

intervention in the end.
Thailand
During the assessment period, various joint EU-Thai initiatives had been taken to improve the capacity of Thai firms in their trade relations with the EU (JC 1.3). The EC Delegation in Bangkok in collaboration with the RTG, the Board of Trade of Thailand and the Federation of Thai Industries has been increasingly active in informing Thai firms about new EU legislation and its impact on trade relations (I 1.3.2). The Delegation's Business Information Centre (BIC) has regularly organised high profile seminars and workshops (capacity building and dissemination of information) for government officials (usually at directors' level) and the private sector: they have been attended by more than 4000 participants to date. Generally, support to Thai SMEs has been an important focus of the EC and individual EU member states (I 1.3.3). The impressive number of information campaigns on various aspects of EU-Thailand relations has increased the visibility of the EC and the EU in general. Interviewees of Thai government agencies said that EC visibility had also increased as a result of the ongoing negotiations for an EU-ASEAN Free Trade Agreement. However, MoFA respondents clearly stated a lack of visibility of Evaluation of the European Commission's Cooperation with Thailand EC interventions. The EC Delegation acknowledged that it was difficult to strengthen or even achieve EC visibility in and through multi-donor projects. Various activities within the ASEM framework increased the EU's visibility in Thailand, and the most important push in terms of visibility came from the introduction of the EURO. Some interviewees stressed that the EU was more visible in Thailand than in ASEAN as a whole (JC 1.5).
Moldova
In the Moldovan economy some two thirds of export potential is covered by 10-15 companies, which often already possess the basic skills needed for export marketing. Many of these have developed their own business strategies and specific marketing plans. Based on a review of MEPO/MIEPO experience, firms able to benefit from EC assistance were, for the most part, firms that already had some expert capacity in place.

4.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

Comments / summary
<ul style="list-style-type: none"> Limited information available, assessment to be undertaken rather on action/country level

MEDA
Thus with the exception of Turkey all countries have a business environment that does not make them attractive for investors and is an impediment to their competitiveness. Inward foreign direct investment has significantly progressed but has been accompanied by a declining share of FDI originating from the EU.
Moldova
Fragmented promotional activities, albeit important for distributing to as many potential investors as possible information about "haven" conditions for foreign business in Moldova, were unable, over the period examined, to bring about real improvements in attracting foreign investment into Moldova

4.8.2.1 I 8.2.1 – Investment promotion addressed in CSPs/NIPs

No evidence found in reports
./.

4.8.2.2 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements

No evidence found in reports

./.

4.8.2.3 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns

BFA

L'augmentation des investissements privés nationaux et étrangers (IDE) dépend fortement de l'amélioration du cadre général actuel des affaires. Le cadre juridique commercial doit être assaini et permettre la pratique d'une justice équitable et prévisible pour l'ensemble des acteurs privés. La mise en place récente (octobre 2009) de tribunaux de commerce va dans ce sens.

4.8.2.4 I 8.2.4 – Evidence of government budget, providing for funds for the functioning of the investment framework and incentives

No evidence found in reports

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4.8.2.5 I 8.2.5 - Availability of quality investors' information/guides

No evidence found in reports

./.

4.8.3 JC 8.3 Improved access to trade finance

Comments / summary

- From evaluation reports, only evidence of trade-related finance only related to EIB interventions, not to more general financial sector performance/availability

4.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed

Comores

Il est probable que l'instabilité, la corruption et le flou politique qui sévissent aux Comores soient en grande partie responsables de la faiblesse des impacts de la coopération financière au bénéfice du secteur privé. Actuellement, les parties prenantes au niveau national et régional dépensent plus d'énergie à rechercher des financements extérieurs qu'à créer un climat propice à l'investissement dans le secteur privé. Le cadre juridique reste ainsi inadapté à la mise en place de « règles du jeu » qui pourraient rendre bancables les projets des entreprises, règles qui permettraient par ailleurs de donner un statut viable aux relais financiers mis en place par les bailleurs.

SLV

Regarding laws for MSMEs, FOMYPE failed to take advantage of FEDECACES' experience and knowledge about remittances to help analyse and adapt the financial and legal framework so as to improve the use of remittances at national and local level.

4.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

Comores

En ce qui concerne la ligne de crédit de 500.000 € mise à la disposition de la structure FASP/CASP, on sait que seulement 156.210 € ont été déboursés pour financer 11 projets initiés par des TPE. De la ligne de crédit de 500.000 € mise à la disposition de la BDC, seulement

28 Les PME comoriennes ont encore un poids négligeable dans une économie profondément rurale et basée sur le commerce des cultures de rente et les apports financiers des migrants. Le niveau d'éducation et de qualification professionnelle de la population contribue, avec l'éloignement des grands marchés internationaux, à avoir fait obstacle au développement d'activités autres qu'artisanales pour le marché domestique ou touristique (sachant que ce dernier est très réduit). Cette question vise à apprécier si les interventions de la CE ont contribué (i) à créer un environnement macroéconomique (ajustement structurel) et réglementaire et physique (infrastructures) porteur pour la création de PME et (ii) à la création de PME positionnées sur des marchés porteurs et ayant pu mobiliser les lignes de crédit mises en place (notamment par la BEI).

266.630 € ont été décaissés pour financer 18 projets. Le montant moyen des crédits octroyés était de 7,2 millions de FK (soit 14.400 €).

DOM

Through its investment facility, EIB supports the financial sector, including microcredit to SMEs, even though its trade focus has not always complemented existing EC support.

SADC

Finally, the EU-SADC Investment Promotion Programme (ESIPP – 8 ACP RAU 010) has attempted to support the involvement of the SADC private sector in the evolving regional economic governance arrangements. However, the programme has been plagued by delays, with, as a result: “much of the intended benefits of funding followed on initiatives from the Business-to-Business events and other programme initiatives being lost in a confusion of administrative procedures and delays” 48. While procedures, the complexity of grants to business processes, complexity of the calls-for proposals mechanisms and the absence of effective “hand-holding mechanisms” to assist applicants are major constraints slowing effective implementation – and in fact mirror many of the procedural problems described elsewhere in this report – ESIPP has begun to raise the awareness of the region as an investment location and has successfully launched an investment promotion process in the region. The capacity however, of SADC-based intermediary organisations to sustain this remains a concern.

MEDA

The use of the Commission funds managed by the EIB was effective to link the EIB banking activities and the economic and development interventions of the Commission. The *Risk Capital Facility* has been successfully exploited by the EIB for financing promising private sector initiatives while developing and strengthening financial sector institutions and their capacity to finance SME. The participation of the EIB as the main investor or coinvestor contributed to improving the standards of governance of the beneficiaries, increasing their attractiveness for other investors.

4.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

Summary of findings – comments

- Namibia may be a good example for the “second category of TRA” – namely TRA through “other sectoral projects”
- Namibia may be good example for further assessment of trade-in-goods (Economic Integration Support Programme) in the agrofood and tourism sector
- Evidence of good results at micro (enterprise/intervention) level – but no clear evidence of positive impact (triggering effect?) on aggregate level (*may also have to do with deficient monitoring?*)
- There seems to be an evidence has contributed to deepen broaden exports of traditional goods but with limited effects on export diversification
- Evidence of effect on enabling environment seems to exist but to be limited and conditioned (*conducive conditions to be further assessed through evaluation team*)

- Difficulties in attributing export growth with TRA
- *Please do not forget to clearly distinguish between “generic TRA” and support with another focus but encompassing trade-related aspects (following our discussion with the EC)*
- *Particip may launch a study on tourism-related assistance as evidence for trade in services*

4.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors

BFA
The action of the EC within the framework of its private sector support programmes has enjoyed tangible success in making the corporate development services (CDS) market more dynamic, improving the business environment and encouraging the emergence of local know-how in strategic and operational project management. The result is somewhat more mixed in relation to ort for regional integration and the increased international competitiveness of Burkina Faso.
PHL
Today the Philippines is in a better position to participate in international trade (not at least with the EU) and deal with the challenges of regional and global integration than at the beginning of the evaluation period in 2002. TRTA 1 was particularly successful with regards to the fishery sector but failed to improve the situation of coconut growers in the domestic and export market.
BOL
on remarque que les programmes de coopération économique n’ont pas atteint les résultats attendus qui étaient de renforcer la place des produits non traditionnels dans la d’améliorer l’intégration des pays andins.
Comores
L’intégration à l’économie régionale et internationale n’a pas été améliorée, que ce soit par les dynamiques internes des entreprises appuyées ou par de rares participations à des foires à l’extérieur sur financement des programmes régionaux de la CE.
DOM
EC cooperation improved the ability of DR private sector firms to be competitive in terms of trade between the DR and the EU Member States in specific well-targeted sectors. It also improved trade competitiveness with non-EU partners. Although at a small scale, EC support has contributed to giving firms the capacity to become, or remain competitive (an indication of sustainability) in their ability to export goods to the EU market. EC support has provided an opportunity for DR firms to eventually benefit from the EPA. This holds particularly true for EC intervention related to specific sectors ⁵² . Exports from the DR to the EU have increased significantly only in few targeted directly supported sectors ⁵³ . Missing data on services exports (e.g. tourism) makes analysis to remain partial, mostly underestimated in terms of trade ⁵⁴ . Successful interventions achieved improved standards and networks.
SLV
At micro level, the EC intervention benefited predominantly enterprises in nonpriority economic sectors. Yet, qualitatively, insofar as a majority (58%) of the enterprises it supported was operating in the commerce sector and only 39% in the priority targeted industrial and agro-industrial sectors, the programme stayed short of its expected results.
Central America
No hay evidencia suficiente que demuestre que los programas bilaterales (<i>i.e. national programmes, TK</i>) promueven la competitividad y el desarrollo del sector privado y sus actividades comerciales a nivel intraregional (PE.3). El inventario de proyectos muestra un número reducido de proyectos de envergadura dirigidos específicamente a la mejora de la competitividad, el fomento de las inversiones y los intercambios comerciales, y el apoyo a las PYME. Por otra parte, en la evolución del comercio intrarregional, es difícil determinar el grado de impacto y de causalidad con la cooperación de la CE por razones analíticas y de desagregación. Pero, hay evidencias que el apoyo de la CE

contribuye a la profundización de la integración, mediante la unión aduanera, la libre circulación efectiva de bienes, servicios y capitales en América Central, a la armonización de normas, y a otras condiciones que pueden contribuir la negociación de un Acuerdo de Asociación.

MEDA

In terms of results, Commission interventions have contributed to improving the formulation and stimulating implementation, of important reforms at macroeconomic and sector levels. Many of these reforms have involved important changes in the policies of the partners. Sector support contributed to improved functioning and governance of the institutions supported. TA programmes have generally delivered satisfactorily their expected outputs. However, difficulties were observed with fulfilment of the conditions relating to core reforms, such as tariffs of the utility companies, subsidies, and governance of the financial sector.

It is striking that for all MPC, the share of their exports to the EU has declined in 2006 compared to 2000. For imports a similar picture emerges but in general the relative reduction of imports has exceeded that of exports implying an improvement in the trade balances with the EU and a lesser economic dependence, but also a lower trade integration. Up to 2006: leaving aside Algeria whose surplus on the EU exploded thanks to rising hydrocarbon prices, four countries have reduced their trade deficit with the EU: Egypt, Israel, Tunisia and Lebanon. Morocco, whose trade with the EU is important has a rising deficit with the EU, as well as Jordan whose trade flows with the EU are relatively less important. All countries have experienced growth of their international trade but they are losing global market shares except in four cases (Jordan, Lebanon, Egypt and Turkey). For all MPC, and particularly for those expanding their international trade more rapidly, the expansion takes place primarily in non-EU markets.

Senegal

En dépit des initiatives et des interventions réalisées par les deux coopérations au travers des programmes régionaux et de leurs interventions complémentaires au niveau national, le rythme de progression du commerce régional et international reste plafonné et son niveau de diversification demeure limité. Cette faible performance tient à la concentration sur des produits pour lesquels la demande internationale est peu dynamique. Les performances du secteur d'exportation ont été médiocres au cours des deux dernières décennies: elles ont été peu diversifiées, ont eu une faible valeur ajoutée, et ont été confrontées à la croissance lente de leur prix sur le marché extérieur. En outre, les secteurs moteurs de l'économie sénégalaise connaissent des difficultés et une baisse tendancielle de leur part relative qui creuse encore davantage le déficit commercial. Le bilan de l'intervention sur l'intégration régionale et le renforcement de la compétitivité du Sénégal reste modeste

Uganda

The 9th EDF focal sectors have contributed to attaining the intermediate impacts of regional significance. Agricultural production has increased, which enhances food security and ability for Uganda to increase intra-regional trading with neighbouring countries. Agricultural products exports have grown substantially over the past years. Trade policies have become more outward oriented.

Namibia

The NASSP, though problematic as a rural development programme, incorporated trade policy development within its support to agriculture and sought to develop and commercialise indigenous plant resources – resources to which the poor have relatively greater access than to livestock. Among other things, this design allowed the EC to address the threat to Namibia's beef exports to the EU posed by the requirement for traceability and to increase the opportunities for beef sales in the commercial market by e.g. construction of kraals for cattle auction. Support to Tourism Development through the NTDP included community-based tourism which again had significant potential in increasing the pro-poor impact of trade in services.

Another focus of EC support to RIT, Tourism, supported bi-laterally under NTDP and regionally under ESIPP108, is a key area of comparative advantage for Namibia, as evidenced by its strong growth, and has the potential to be significantly contributively to export diversification.

Both projects seem to be performing well; however, the *sustainability* is very different for the two projects. Stakeholders in the tourism sector are universally optimistic about the future of the sector, and community based tourism in particular as a new, pro poor product to market internationally. This is in large part because of the confidence in the Namibia Tourism Board, a strong private sector organization

– FENATA – that has good links across the sector and with government. For the Hoodia project, on the other hand, there are concerns that several of the 300 beneficiaries will not be able to maintain production over the longer term.

Moldova

The EC, principally but not only through the three main projects reviewed here, has provided a substantial amount of highly relevant assistance for promoting closer trade and economic relations between Moldova and the EU. However, statistical trends do not suggest that this EC assistance has so far had a major tangible impact. At the aggregate level, the observed increase in Moldova's exports to the EC is due to the decline in exports to the CIS countries and to the accession of Romania and Bulgaria. All three EC projects, but especially MEPO/MIEPO and the Moldova country branding project, were meant to deliver tangible benefits at the level of Moldovan firms. These benefits were to take the form of increased capacity to reap the rewards of international trade, especially trade with the EU. Yet these benefits have been scattered and largely limited to firms that already had significant export capacity in place. In general, EC interventions in trade and the economy have failed to achieve sustainability, in two senses. First, with firm-specific benefits limited to a sub-set of firms, the system-wide impacts needed to achieve sustainability have not been in evidence. Second, while individual interventions have sometimes been very successful, systemic reform and institution-building have fallen short of expectations.

Jordan

The EC-supported SMEs have developed their awareness of international markets, their capacity to export, and their actual exports to Arab countries, the USA and other parts of the world. However, this evaluation confirms that the expected breakthrough in their exports to the EU did not occur, despite a few low-scale success stories. Another approach to the issue of exports has been taken with the study of eight SMEs supported by EJADA and JUMP30 (see 4.8.3). All interviewed managers said that the EC-funded support had been effective in strengthening their enterprise, and there have been several breakthroughs in the area of exports, but none in the EU market. Moreover, the interviewed managers were somewhat pessimistic about their capacity to access the EU market in a near future.

4.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors

MEDA

Most Commission interventions delivered satisfactorily their output and achieved good results. In term of impact significant progress have been realised in the area of macroeconomic stabilisation and trade liberalisation, and the social indicators have generally improved in all MPC. Attribution of these achievements to MEDA II is impossible but a number of converging indications, notably the directions of the support of the Commission and the direct results of many interventions, point to a real contribution. However, the convergence of the living standards, the significant breakthrough of exports from the MPC to the EU and the intensification of intraregional trade that would be necessary to reach the objective of shared prosperity (2d Pillar of Barcelona) have not taken place at the expected pace notwithstanding the increased financial resources and the faster disbursement of

MEDA II. The main explanatory factors behind these trends are the lack of export diversification of many MPC economies and, therefore, the absence of complementarity between their production structures and a slow pace of economic and political reforms that limited their competitiveness

4.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).

PHL

The upgrading of the legislative and regulatory framework through TRTA1 was highly relevant to the needs of the fishery sector, but of minimal relevance to the coconut sector.

BOL

Malgré la place qu'occupe cette question dans la EBRP, ces programmes n'ont jamais beaucoup interesse le gouvernement.

CHI

Second, although there are still needs in the area of policy formulation, technical assistance to date (much of it provided by the EC) has substantially improved the policy rules of the game. What is needed now is help in administering, implementing and enforcing these rules. As evidenced by the IPR programme, the EC is gradually replacing policy formulation activities with policy implementation inputs. Not all policy implementation problems have to do with low awareness and lack of capacity. Some merely reflect lack of political will; these problems can be dealt with only through policy dialogue. But sometimes even when the political will is there, governance problems such as lack of transparency, unwieldy procedures inherited from the past, and bad governance – at the extreme, and corruption – impede implementation.

DOM

Competitiveness in the country still remains a major challenge and is being tackled by a more comprehensive government-led policy approach (recent achievements include a competitiveness framework) that is supported by the EC through a direct alignment to the plans of the GoDR. EC support to the enabling framework has been successful in well-targeted interventions concerning trade and market opportunities in a diversified manner in specific sectors, mainly through product quality, SMEs and Competition improved frameworks. Less evident at this stage are the results to be obtained from a more comprehensive support to capacity development in entities related to the National Systemic Competitiveness Plan beginning to take place. Improvements in the overall conditions of trade do not compensate for inherent weaknesses in competitiveness. Fiscal policy and trade conditions and regulation are evolving (improving the overall business climate) and this is perceived as improving innovation and productivity, but there is much room for improvement. External trade policy being one main driver and benchmarking, regional integration benefits are tackled now from the EPA perspective. The ambitious competitiveness agenda still in its planning stage does not have a clear capacity development implementation strategy towards selected clusters and its related entities.

TACIS

TACIS interventions have contributed to developing the platform for transition to a market economy mainly by helping to create the appropriate enabling environments. In this sector, TACIS has tended to be more effective at a policy level and at larger scale capacity development programmes. There are indications that a more strategic view is required with respect to support to this sector in particular the private sector at the more operational level relating to the broad spectrum of support structures. In other words: The case studies related to this sector have illustrated that TACIS has contributed significantly to enhancing the capacity of government institutions, which in some cases has manifested itself in progress towards reaching international agreements such as the WTO and to enable governments to address key areas PCA implementation. TACIS support in this sector appears to have been more successful in relation to policy advice or large scale capacity building programmes, rather than for example more “on the ground” SME development initiatives that require long-term commitments.

Moldova

Export growth and reorientation from the CIS (especially Russia) to the EU has occurred mainly a result of trade policy measures (GSP mechanisms, restrictions imposed by Russia) and not of the promotional measures supported by EU assistance. At the same time, promotional efforts could be only successful when combined with progress at policy level and in related fields. There is a clear need to strengthen the analytical capacity of the government agencies in the area of trade policy formulation and negotiations.

4.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

BFA

Dès sa conception, le programme n’a pas raisonné dans une optique « filière » pour suivre toutes les étapes du processus de production-transformation-exportation. La qualité se mesure uniquement aux frontières, juste avant exportation. Une approche visant à atteindre la qualité totale, nécessitant une intervention à toutes les étapes de processus de production-transformation- exportation et une appropriation nationale des grandes structures régionales mises en place, a manqué.

DOM

Continue to increase the competitiveness of the DR both internally and for trade, by selecting a small

number (2 or 3) business clusters for a comprehensive support programme for competitiveness capacity (instead of granting generic support to all 36 pre-identified clusters on a demand-driven basis). Develop mechanisms to place the strategy for support and the accountability for results in the hands of the private sector.

SLV

At macro level, EC contribution through FOMYPE to the national policy and legal framework on MSEs has helped design the national policy. Has FOMYPE supported the drafting of the national policy in favor of MSMEs, which the MINEC made public in 2007.

Malaysia

The COGEN 3 programme implementation in Malaysia is the only record of a significant progress towards a balanced economic partnership between this partner and EU within the overall process of integration into the world economy that would not have occurred in the absence of the EC co-operation programmes. The project had a positive impact at policy levels through the organisation of several fora and study tours for ASEAN policy makers in Europe and ASEAN, which has raised their awareness on the importance of promoting cogeneration in their countries. Impacts are also visible in Malaysia and Cambodia, however, to a smaller extent. COGEN impacted the policy framework and legislation in Malaysia. Thailand, Malaysia and Singapore were commercially more ready to invest in cogeneration projects than the other ASEAN countries, and the direct impacts were concentrated there. Many of the projects have an innovative approach and are the first of their kind in ASEAN, introducing new standards and methodologies for end users and policy makers, for instance in Malaysia

4.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

4.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

Summary of findings – comments

- Substantiated evidence of TRA impact on poverty reduction and socio-economic impacts seems to be limited

4.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

MEDA

Most programmes have delivered their expected outputs with substantial advantages for the direct beneficiaries. Positive moves have been observed in all MPC in terms of economic stability, competitiveness and trade. The significant breakthrough of exports from the MPC to the EU and the intensification of intra-regional trade that would be necessary to reach the objective of shared prosperity (2d Pillar of Barcelona) have not taken place at the expected pace notwithstanding the increased financial resources and the faster disbursement of MEDA II.

MEDA II interventions focused on economic reforms and on strengthening institutions rather than targeted populations. They contributed to improved management of national institutions but there can only be a presumption that this has had an impact on poverty reduction.

Recommendation:

Even if interventions are focused on institutional building, they should ensure that the benefits reach the people. It is therefore important in each intervention to identify which are the targeted populations, that are those that should theoretically be the main final beneficiaries of the interventions, and to use this information to compile results indicators.

Pacific

Finally, although the Commission has investigated global links between, for example, expansion of international trade and poverty reduction, it has made no systematic attempt to identify a cause-effect relationship between the intended impacts of Pacific regional strategies and poverty reduction. The Commission has given significant attention to the links between international trade development and reduction of poverty on a global basis. But global studies (such as European Commission. Trade and Development: assisting developing countries to benefit from trade (COM(2002)513) and "Trade, Growth and Poverty", Dollar and Kraay, mimeo, 2001) show no straightforward and infallible links between trade expansion and poverty reduction. Moreover, no studies have been made on links in the Pacific between trade development and poverty reduction.

Recommendations:

The mainstreaming of poverty reduction in the most sectors of interventions, in particular trade, fisheries and other natural resources, human resource development and private sector development, should be enhanced and the interventions in these sectors carefully intertwined interventions in the area of private sector development should not only give a particular attention to trade aspects but should also contribute to fostering the correct linkages between trade and private sector development so as to create the necessary conditions under which trade can support a *inclusive* growth process. This implies, *inter alia*, prioritizing development of economic activities (i) with high value added and (ii) which offer the possibility of the poorer segments of the population interacting with the emerging (and possibly export-oriented) growth poles. The above-mentioned linkages are more likely to be established in sectors (i) which offer strong economic growth potential, (ii) where participation by the poor in the potential benefits is possible and (iii) which are conditioned by the regulatory and incentive framework surrounding their development. From this point of view, soundly-conceived exploitation of the numerous natural resources of the region is of interest as many Pacific islanders are dependent on natural resources for improvements in their living standards while offering dynamic economic perspectives. The Commission should therefore foster the inclusive growth potential of sectors such as fisheries.

Namibia
EC interventions to support trading of natural resource products, especially Devils Claw and Hoodia, were directly relevant for the poor.
SLV
It is difficult to assess the EC contribution to employment and economic growth due to the absence of internal monitoring tools within FOMYPE and of a baseline survey. Indicators, defined at design stage so as to assess the contribution of FOMYPE to the socio-economic development of the country (e.g. the contribution of MSEs to GDP and to regional and extra-regional trade), have not been monitored during implementation. Consequently, there is a lack of statistical data which explains why the final evaluation could not assess to what extent MSMEs which benefited from FOMYPE have contributed to economic growth and employment in El Salvador.

4.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

MEDA
The cross-cutting issues considered in this evaluation were gender and environment. They were recognised as critical <i>per se</i> and key to sustainable economic and social development in most strategy and programming documents, but have not been the object of in-depth analysis. Outside the interventions targeted on them, the cross-cutting issues were generally not addressed under MEDA II.

4.9.1.3 I 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

No evidence found in reports
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4.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

<i>Summary of findings – comments</i>
<ul style="list-style-type: none"> • JC 9.2 is closely related to JC 9.1. and difficult to distinguish • Impact monitoring evidence hardly tracable

4.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

DOM
Improved but still underutilised trade opportunities with EU and other trading partners certainly provide, on paper, better employment conditions in DR60 but there are no official statistics to prove that hypothesis, and certainly no analysis have been carried out specifically dealing with women or youth in that context. The EC's successful contribution to improving employment for women was clear for some very specific interventions during the evaluation period, such as those in the Banana sector, where progress reports dealt with that issue. However, in the case of more direct support to DR firms or where the GoDR is being supported in its competitiveness programmes, difficulties exist to track results because of weak M&E.
Trade.com
Impact: There is no clear linkage between the programme purpose and the overall objective (growth and poverty reduction) – such a correlation is premature and difficult to substantiate. As noted under Effectiveness, the programme has made a significant contribution towards the objective of increasing the beneficiary countries' and regions' capacity to develop and implement their own trade strategies and to deepen regional integration. The shortcomings that were observed are partly due to the institutional

weaknesses of the beneficiary agencies in sustaining and developing the outcomes of Trade.Com support. In almost every country visited there are serious problems with institutional capacity, which are the major underlying constraints to the fulfilment of Trade.Com objectives. Also, impact at the overall objective level will take time to materialise since it will depend on the extent to initial commitments to improve the enabling environment trigger increased trade and new private sector investment. The response of the EU has been to invest in building capacity for trade, through the 10

EDF RIPs and also to some extent the NIPs. But many countries have not made similar commitments internally i.e. to increase their recurrent expenditure commitments to enhancing trade management capacity. It is also evident that the demand-led model could have been more effective if it was governed by more stringent selection criteria and stronger monitoring of the follow-on effects of each intervention. The linkages between country and REC trade strategies and policies are not as streamlined as they could be and this could compromise the effectiveness of future Trade.Com-type assistance.

SADC

The evaluation found that although EC support is increasingly poverty oriented, little actual impact on poverty alleviation could be documented.

4.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

CHI

In general, the wide range of sector themes has been well integrated into EC trade cooperation. However, just as poverty and the theme of “winners and losers” have not been well integrated into economic and social reform projects, the same can be said for trade. For example, the issue of poor IPR enforcement cannot be separated from the impact that enforcement would have on employment in many provinces and municipalities.

4.9.3 JC 9.3 - TRA supported enforcement of ILO standards

4.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

No evidence found in reports

./.

4.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

No evidence found in reports

./.

5 Sources

<i>Country</i>	<i>Evaluation Report</i>	<i>Year</i>
Bolivia	Evaluation de la Coopération de la Commission Européenne avec la Bolivie	2007
Burkina Faso	Evaluation de la coopération de l'Union européenne avec le Burkina Faso - Evaluation de niveau national	2010
Central Africa	Evaluation de la strategie regionale de la CE en Afrique Centrale	2006
Central African Republic	Evaluation de la coopération de l'Union Européenne avec la République centrafricaine - Evaluation de niveau national	2009
Central America	Evaluación de la cooperación regional de la CE en América Central	2007
China	Evaluation of the European Commission's Cooperation and Partnership with the People's Republic China, Country Level Evaluation	2007
Comores	Union des Comores Évaluation de Niveau National – Rapport de synthèse	2006
Dominican Republic	Evaluación a Nivel de País - República Dominicana	2011
El Salvador	Evaluation of European Commission's Cooperation with El Salvador – Country Level Evaluation	2010
India	Evaluation of the European Commission's support to the Republic of India	2007
Jordan	Evaluation of the European Commission's support to the Hashemite Kingdom of Jordan– Overall assessment	2007
Malaysia	Evaluation of the European Commission's Cooperation with Malaysia	2009
MEDA	Evaluation of the Council Regulation N° 2698/2000 (MEDA II) and its implementation	2009
Moldova	European Commission's support to the Republic of Moldova – Country level Evaluation	2007
Namibia	Evaluation of the European Commission's Cooperation with Namibia –Country Level Evaluation	2009
Nigeria	Country Level Evaluation Nigeria	2010
Pacific	Evaluation of the Commission's support to the ACP Pacific region	2007
Philippines	Evaluation of the European Commission's Cooperation with the Philippines	2011
SADC	Evaluation of the Commission's support to Southern African Development Community – SADC Regional Level Evaluation	2007

<i>Country</i>	<i>Evaluation Report</i>	<i>Year</i>
Senegal	Évaluation conjointe de la coopération de la Commission Européenne et de la coopération de l'Espagne avec le Senegal – Évaluation de Niveau National	2010
TACIS	Evaluation of Council Regulation 99/ 2000 (TACIS) and its Implementation	2006
Tanzania	Evaluation of the European Commission`s support to the United Republic of Tanzania	2006
Thailand	Evaluation of the European Commission`s Cooperation with Thailand	2009
Trade.Com	Final Evaluation of the Trade.Com Facility – Final Evaluation Report	2010
Uganda	Country Level Evaluation Uganda	2009
West Africa	Evaluation de la Strategie Regionale de la CE en Afrique de l'Ouest	2008

Annex 4

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Regional Organisation Fiche

ASEAN

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1 Introduction

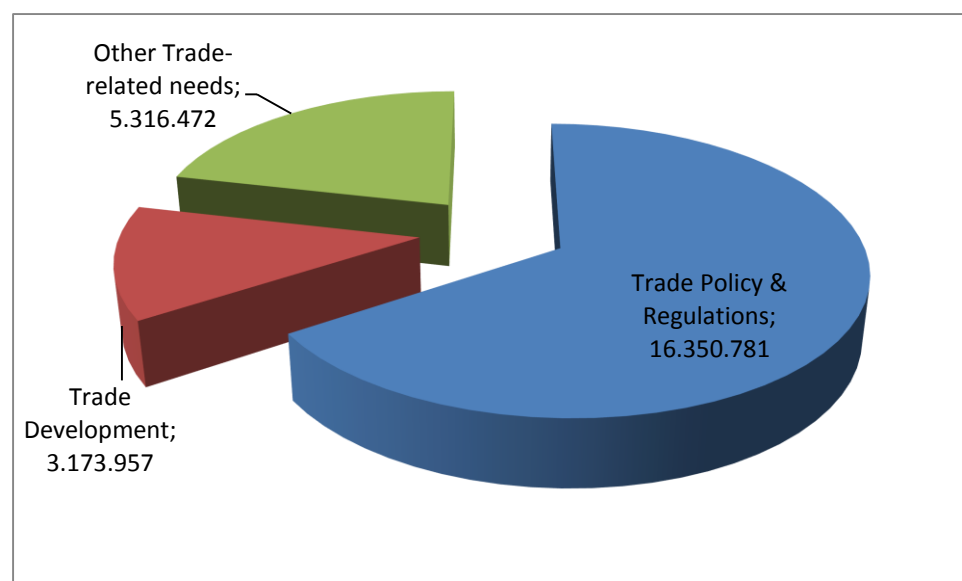
1.1 Commission's TRA to ASEAN between 2004 and 2010

1.1.1 Contribution per sector, modality and channel

1.1.1.1 Breakdown per Category

Year	Amount contracted in €	Amount paid in €
2004	928,215	928,215
2005	864,032	864,032
2006	6,827,353	6,827,353
2007	1,330,117	1,330,117
2008	8,017,580	8,017,580
2009	4,756,071	4,756,071
2010	2,117,842	2,117,842
Grand Total	24,841,210	24,841,210

1.1.1.2 Total volume of contracted amount 2004-2010 per category



1.1.1.3 Breakdown per Modality

Row Labels	Project	Grand Total
2004	928.215	928.215
2005	864.032	864.032
2006	6.827.353	6.827.353
2007	1.330.117	1.330.117
2008	8.017.580	8.017.580
2009	4.756.071	4.756.071
2010	2.117.842	2.117.842
Grand Total	24.841.210	24.841.210

1.1.1.4 Disbursement Rate

Years	Amount contracted in €	Amount paid in €
2004	928,215	928,215
2005	864,032	864,032
2006	6,827,353	5,513,746
2007	1,330,117	918,457
2008	8,017,580	2,041,393
2009	4,756,071	1,005,951
2010	2,117,842	384,904
Grand Total	24,841,210	11,656,698

1.1.1.5 Disbursement per Category

Aidmodality	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	16,350,781	8,881,144
Trade Development	3,173,957	1,267,934
Other Trade-related needs	5,316,472	1,507,619
Grand Total	24,841,210	11,656,698

1.1.1.6 Disbursement per Modality

Aidmodality	Amount contracted in €	Amount paid in €
Project	24,841,210	11,656,698
Grand Total	24,841,210	11,656,698

1.1.1.7 Disbursement per Channel

Channel	Amount contracted in €	Amount paid in €
Development Agency	818.901	818.901
NGO/Association/Chamber/Foundation	2.000.000	349.552
Private Company	21.367.188	10.088.698
Regional Organisation	95.234	95.234
Research Institution/University	559.887	304.312
Grand Total	24.841.210	11.656.698

1.1.2 Important TRA interventions in ASEAN

Table 22 Overview of Commission's most relevant TRA interventions in ASEAN

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Decision starting year</i>	<i>Committed amount for the intervention</i>
ASEAN Programme for Regional Integration Support II	ASIE/2005/017-600	2005	6,876,754
EU-ASEAN Statistical Capacity Building Programme	DCI-ASIE/2007/018-383	2007	4,856,400
EU-ASEAN Project on the Protection of Intellectual Property Rights III	DCI-ASIE/2008/019-473	2008	4,500,000

Source: CRIS database, Particip GmbH analysis

1.2 Description of main EC intervention

1.2.1 Intervention no 1

Title: ASEAN Programme for Regional Integration Support II

Budget: Planned commitment: 7,287,000 €

Start and end date: 01.10.2009 – 01.04.2016

Objectives and expected results:

Overall objective:

The overall objective of APRIS II is to further the process of ASEAN integration while strengthening EU-ASEAN relations as a whole through the dialogue process.

Project Purpose:

The Project purpose is to support ASEAN integration through the Trans-Regional EU-ASEAN Trade Initiative (TREATI) and Regional EU-ASEAN Dialogue Instruments (READI) dialogue process.

Main Results

The envisaged results of the project are:

Component 1 - Standards and SPS:

Development and implementation of common ASEAN standards, conformity assessment, sanitary & phyto-sanitary (SPS) standards and other technical regulations in specific sectors in line with the Vientiane Action Programme (VAP) and modelled on EU system where applicable. These outcomes will be supported by harmonization with international standards and the establishment of an ASEAN Post Market Surveillance system to ensure the technical regulations and conformity assessment procedures are implemented in practice.

Component 2 - Customs and Trade Facilitation:

Establishment in most ASEAN Member Countries (AMCs) of an improved system of customs clearance and a transit regime to enhance economic competitiveness in international transactions in line with the requirements of the VAP.

Component 3 - Investment:

Adoption of an Action Plan in accordance with the VAP for the creation of a free and open investment regime in ASEAN in line with the national objectives of AMCs in ASEAN.

Component 4 - Capacity Building:

- a) Improved capacity of the Agreement and Compliance Unit of the ASEAN Secretariat to better provide legal advice and support to AMCs, to the ASEAN Compliance Monitoring Body and to an enhanced ASEAN Dispute Settlement Mechanism;
- b) ASEAN Secretariat and AMCs officials on Working Groups/Committees trained to support regional integration and the associated management processes including specific aspects of harmonisation of regulations.

Component 5 - TREATI and READI dialogues:

A series of common positions / joint initiatives developed and implemented in support of the TREATI and READI dialogues in the areas such as transport, animal health, climate change and the information society.

Component 1 Standards and SPS

Strategic Analysis Standards

This component covers the four priority sectors and part of the general trade facilitation area outlined in the six priority areas under TREATI. Emphasis is placed on SPS issues in the agro-based products and fisheries sectors and on improving standards and technical regulations in electronics, cosmetics and wood-based products as well as trade facilitation as a horizontal issue. Activities shall meet the TREATI focus on fostering regulatory convergence.

Standards (Technical and SPS)

Training, workshops, seminars, legal assistance on transposition of Directives into national law, preparation of manuals and training material for trainers and human resource capacity building to support ASEAN Secretariat/AMCs activities in relation to, but not limited to:

- ASEAN Post Market Surveillance system identification and implementation;
- General product safety and public liability;
- Transposition and implementation of the ASEAN Cosmetics Directive;
- Developing SPS measures for agro-based and food and fish products;
- Implementation of Electrical and Electronics Directive;
- Development of Wood-based Products Standards

Component 2 - Customs and Trade Facilitation

Strategic Analysis Customs

Improving customs clearance and enhancing the customs transit regime are the two priorities areas among the 15 Areas of ASEAN Customs Integration identified under the ASEAN Strategic Plan of Customs Development (SPCD). Activities shall logically build upon and follow up support for customs modernization in ASEAN developed under APRIS I.

Customs Activities

To enhance ASEAN and ASEAN Secretariat capacity in customs clearance and customs transit, the project will provide:

- Training, workshops, seminars
- Develop a Train the Trainers programme including the preparation of manuals and training material for trainers
- Study tours by AMC authorities to the EU
- Human resource development in support of ASEAN Secretariat/AMCs activities.

Component 3 - Investment

To comply with the requirements of VAP and to enhance recognition of the economic benefits of a free and open investment regime in line with the national objectives of AMCs in ASEAN, the programme will

provide training, workshops and studies to underpin and support ASEAN Secretariat/AMCs actions on investment including:

- Establishing a system on comparative investment performance/attractiveness;
- Support activities relating to the implementation of the VAP roadmap for investment that may be identified as of priority concern (i.e. Support in regional efforts towards the effective promotion and facilitation of FDI; Support of regional efforts towards the harmonisation and enhancement in the collation of FDI statistics, including services FDI statistics)

Component 4 - Capacity Building

Indicative Activities

Support will be provided for the implementation of capacity building activities listed below but not confined to:

- ASEAN Secretariat staff capacity building – training events, workshops/seminars
- Technical training for ASEAN Secretariat and AMCs officials on compliance of national policies and legislation with regional and international agreements in the area of the environment, (Kyoto Protocol regime) and trade
- Policy related skills transfer in areas such as regional agreement and Treaty negotiations, development of institutional architecture and structures, institutional management and costing, macro-planning and cost-benefit analyses, based upon the EU experience
- Policy and/or sector specific training on the development of social and intra-regional cohesion, conduct of sector studies for improving competitiveness and export potential, market research on identification of potential investors
- Training for the preparation of concept papers for TREATI and READI
- Ancillary technical training in topics supported by TREATI and READI
- Technical training for ASEAN Secretariat/AMCs officials in trade and investment in Services

This is an indicative list, to be refined by the selected contractor in the light of actual needs identified early in the Inception Period.

Agreement and Compliance Unit of the ASEAN Secretariat

Support to the Agreement and Compliance Unit of the ASEAN Secretariat will include actions to:

- Provide legal expertise to the ASEAN Secretariat in Jakarta to increase the Agreement and Compliance Unit of the ASEAN Secretariat staff knowledge on mediation, good offices, and dispute settlement procedures in different fora (EU, WTO, etc.); and
- Training Agreement and Compliance Unit staff of the ASEAN Secretariat staff on mediation, good offices and dispute settlement procedures through attachments to the legal section of the Permanent Mission of the EU to the WTO in Geneva and a study tour to EC Headquarters in Brussels.

Component 5 - TREATI and READI dialogues

TREATI Actions

In order to retain maximum flexibility and to take account of the dynamics of the on-going dialogue, support actions in the following areas could include but not be limited to:

- IPR
- Services
- Customs

READI Actions

In order to retain maximum flexibility and to take account of the dynamics of the on-going dialogue, support actions could include, but not be limited to:

- Animal health
- Climate Change
- The Information Society
- Communicable Diseases and Public health
- Minerals
- Human Trafficking

- Social protection
- Labour migration
- Maritime safety
- Transport

Energy, including renewable energy

1.2.2 Intervention no 2

Title:EU-ASEAN Statistical Capacity Building Programme

Budget:Primary commitment:6,000,000 € - project approach

Start and end date: 01.07.2009 – 28.02.2013 (envisaged)

Objectives and expected results:

Overall objective:

To support ASEAN integration through more accurate and relevant statistics which facilitate decision-making.

Specific Objectives:

1. To improve the capacity of ASEAN Secretariat for greater comparability of official statistical data among AMCs as well as between ASEAN and the EU.
2. To improve production, compilation, dissemination and use of better quality statistical data on international merchandise trade (IMT) and relevant components of international trade in services (ITS) and foreign direct investment (FDI), other Non Observed Economy (NOE), selected health and education statistics as well as to lay down the necessary foundation for the development of ICT and forestry statistics within AMCs.

To strengthen statistical capacity of those ASEAN countries that need most support, particularly Cambodia, LaoPDR and Viet Nam (CLVs)

Project Results:

1. ASEAN Secretariat enabled to play an active initiating, co-coordinating and harmonising role for AMCs in selected statistical areas.
2. AMCs and institutions able to gather, process and disseminate higher quality IMT and relevant ITS & FDI statistical information as well as NOE to support the formulation and evaluation of regional integration policies
3. Recurrent flows among AMCs of high quality statistics in the field of IMT, relevant ITS and FDI statistics and NOE in place.
4. Improved understanding and comparability of methodologies for collecting and processing key IMT data and relevant ITS and FDI statistics within AMCs.
5. Wide analysis, use and dissemination of official statistics within the ASEAN region, particularly 'statistical products' relevant to ASEAN trade and economic integration
6. A rapid information exchange inter-active regional database system established and operational.
7. Improved comparability EU-ASEAN IMT and relevant ITS & FDI statistical information.

Activities:

1. Strengthen the capability of ASEAN Secretariat to perform a co-coordinating and integrating role for the harmonisation of statistics among AMCs:

- 1.1. Training of ASEAN Secretariat Statistical Unit and other ASEAN Secretariat experts in relevant areas
- 1.2. Technical assistance and training in preparation of ASEAN adaptations of specific international data concepts, definitions, classifications, etc., especially for IMT and related ITS and FDI data

- 1.3. Study visits for ASEAN Secretariat Statistical Unit staff to relevant statistical bodies (Eurostat, OECD, WTO, etc) in order to learn from their experience in statistics management and co-ordination
- 1.4. Technical assistance and setting up of working groups with relevant EU statistical bodies in order to improve comparability of EU-ASEAN IMT and relevant ITS and FDI statistics
- 2. Strengthen the capacity of ASEAN Secretariat to collect, produce, disseminate and analyse more comparable data, particularly in the field of IMT and relevant components of ITS and FDI (Result 1 & 2).**
 - 2.1. On the job training for ASEAN Secretariat Statistical Unit staff
 - 2.2. Baseline analysis of existing data sources in AMCs
 - 2.3. Systematic collection of selected indicators from AMC, together with metadata
 - 2.4. Technical Assistance and pilot studies in order to collect comparable data for specific issues such as comparability studies, and development of methodologies of estimation /treatment of special areas, including border trade, and certain trade practices, etc
 - 2.5. Training and technical assistance for the production of ASEAN-level indicators and the statistical analysis of trade and related data at ASEAN level
 - 2.6. Training and technical assistance for the definition and production of IMT and other indicators for monitoring and evaluating ASEAN policies and programmes (e.g., indicators for the VAP)
 - 2.7. Training in the analysis and use of ASEAN data for decision-making, trade negotiations, etc.
 - 2.8. Specific ad-hoc training/workshop in non-priority statistics domains
- 3. Strengthen the capacity of ASEAN member countries to collect, produce, disseminate and analyse more comparable data, particularly in the field of IMT and relevant components of ITS and FDI.**
 - 3.1. General activities
 - 3.1.1. Technical assistance to the production of methodological documents, instruction manuals and training manuals in specific priority statistical areas
 - 3.1.2. Tailor-made training for each AMCs in priority statistical areas
 - 3.1.3. Translation of relevant technical documents into English and local languages
 - 3.1.4. Production and distribution of a programme newsletter
 - 3.2. Activities in specific statistical areas
 - 3.2.1. Technical Assistance for:
 - o IMT data (classifications, data bases, data exchange between Customs and NSO, etc.
 - o ITS (classifications, business registers...)
 - o FDI (data collection methodologies, etc.)
 - o NOE (data coverage, data collection priorities, etc.)
 - o Other non-priority statistics domains (Health, Education, Forestry, ICT amongst others)
 - 3.2.2. Workshops with exchange of best practices among AMCs in IMT, priority ITS, NOE, selected education and health indicators
 - 3.2.3. Working groups at national and regional level to address specific technical issues affecting the implementation of activities (definition of technical standards to be adopted, methodologies to be applied in statistics compilation and analysis, etc)
 - 3.2.4. Training in data collection and estimation for IMT, ITS services, trade in other services, implementation of methodologies for NOE, estimation from incomplete data & population projections (education & health)
 - 3.2.5. Support to pilot surveys for international trade in specific priority services
 - 3.2.6. Conduct of studies in mirror inward and outward FDI flows, education and health indicators
 - 3.2.7. Study tours of NSO staff to relevant statistical bodies (Eurostat, OECD, WTO, etc) in order to learn from their experience in statistics management
 - 3.2.8. Provision of updated data editing / processing software.
- 4. Install and maintain a rapid information exchange inter-active regional database system at ASEAN Secretariat Statistical Unit**
 - 4.1. Study visit for the ASEAN Secretariat Statistics Unit to Eurostat, OECD and WTO
 - 4.2. Identification of user needs and definition of database technical specifications
 - 4.3. Procurement of computer equipment and software
 - 4.4. Technical assistance and training of ASEAN Secretariat Statistical Unit staff of and other ASEAN Secretariat experts on database creation, management, etc.

Workshops with exchange of experience on national and international statistical web sites and Internet-based databases.

1.2.3 Intervention no 3

Title: ASEAN Project on the Protection of Intellectual Property Rights III (ECAP III)

Budget: Primary commitment € 4,500,000

Start and end date:

Objectives and expected results:

Overall objective:

The overall objective of ECAP III is to further integrate ASEAN countries into the global economy and world trading system to promote economic growth and reduce poverty in the region, as voiced by the ASEAN Leaders in strategy documents. The project aims to facilitate ASEAN regional integration through the establishment of a regional institutional capability within ASEAN Secretariat to support its coordination of policies and drafting of new policies/ preparing for Summits, development of existing national and regional structures towards regional ASEAN mandates. A future FTA being negotiated with the EU is going to be taken in due account. The actions to be undertaken by the project are to be considered in the framework of the EU-ASEAN FTA negotiations aiming to ensure a high level of protection of intellectual property rights, as well as adequate measures to effectively enforce them. The expected outcome is a fair regional trading system where trade development is twinned with aid for trade measures.

Specific Objectives:

- To strengthen further the **institutional capacity, regional harmonisation of legal and administrative frameworks** for protecting IPRs in the region. IPR administration services for the private sectors and other users will be upgraded.
- To enhance **enforcement** in order to secure IPRs from misuse or unauthorised application, such as through counterfeiting and piracy or restrictive business practices, thereby encouraging trade and investment in IP-based industries in ASEAN, protecting fair competition and consumers rights, and securing compliance with the international treaty obligations of ASEAN countries.
- To help accelerate the pace and scope of **IP asset creation and commercialisation** inside and outside ASEAN and promote greater public awareness of the role of IP in asset creation and commercialisation, **including GIs**, and the building up of human resources and institutions relating to the commercialization of IP in ASEAN
- To strengthen the regional **university IP network**, which can serve as a resource for IP education, policy research and formulation
- To provide support to **ASEAN IPR institutionalisation**

Project Results:

Result 1: Increased capacities and regional co-operation networks for enforcement and regulation of IPRs amongst ASEAN countries.

Result 2: Improved legal context and administration of IPRs in ASEAN Member States harmonized with international and regional commitments to IP standards

Result 3: Increased awareness and use of IP as a tool for economic development and integration in ASEAN.

Result 4: Structured expansion of IP education, training and research institutions and programmes within a common ASEAN-wide regional network.

Result 5: Enhanced capacity of ASEAN Secretariat to support, monitor and co-ordinate regional policies and work streams on IP including support to ASEAN institution building.

Activities:

Component I: Capacity building and regional co-operation for IP enforcement and regulation in ASEAN The specific activity clusters that will be supported under this component, either at regional and/or national levels, are subject to the outcome of the inception phase and agreement of annual activity project estimate/budgets. The beneficiaries and target groups for activities under this component will be

enforcement authorities: police, customs, market investigators, ASEAN government officials concerned with IP policy formulation or directly involved in FTA negotiations, government agencies concerned with enforcement, the domestic sector in ASEAN countries, export and producer associations, R&D and S&T institutions, universities and research institutions. Activities will include: Training and technical assistance for enforcement officials and authorities, for strengthening and harmonizing IP enforcement frameworks and procedures across the region in line with best practices; capacity building among courts, prosecutors and the IP professions; information dissemination about harmful effects of counterfeiting and piracy.

Component II: Improving the legal context and administration of IPRs in ASEAN

Countries harmonized with international and regional commitments to IP standards. The specific activity clusters that will be supported under this component, at regional and/or national levels, are set out below, subject to the outcome of the inception phase and agreement of annual activity project estimate/budgets. The beneficiaries and target groups for activities under this component will be ASEAN government officials concerned with IP policy formulation, legislators, government agencies concerned with business development services, the domestic sector in ASEAN countries, export and producer associations, R&D and S&T institutions, universities and research institutions. Activities will include: analyses, feasibility studies, on simplification and harmonization of IP registration and procedures; Training and technical assistance on modernisation and automation support for national IP offices; feasibility studies and assistance for collective management of copyright; best practices; assistance with preparation of IP legislation and regulations and accession to international IP treaties

Component III: Using IP as a tool for economic development and integration in ASEAN

The main activity clusters to be supported under this component, subject to the outcome of the inception phase and agreement of annual activity project estimate/budgets, are set out below: The beneficiaries and target groups for activities under this component will be ASEAN government officials concerned with IP policy formulation or participating in the FTA negotiations, government agencies concerned with business development services, the domestic sector in ASEAN countries, export and producer associations, R&D and S&T institutions, universities and research institutions. It should be noted in the above context that WIPO has already prepared a study on BDS hubs. Thus, any study and/or initiative in this area under ECAP III should also take into consideration or refer to the findings and recommendations made in the WIPO study in order to maximize use of resources of donors

Component IV: Structured expansion of IP education, training and research institutions and programmes within a common ASEAN-wide regional network.

The specific activity clusters that will be supported under this component, either at regional and/or national levels, are set out below, subject to the outcome of the inception phase and agreement of annual activity project estimate/budgets. The beneficiaries and target groups for activities under this component will be IP educators in universities, tertiary educational institutions and schools, ASEAN government officials concerned with IP policy formulation and enforcement and/or officials participating in to FTA negotiations, government agencies and IP offices, R&D and S&T institutions. Activities will include: technical assistance for AUNIP; assistance in preparing a model constitution and programme of activities for the creation of national IP teachers networks; Building on the IP Curriculum Handbook developed under ECAP II; supporting linkages between IP offices, universities and ministries of education regarding the development, piloting, roll-out and evaluation of IP curricula and teaching materials for schools and colleges; assistance to universities and research institutions on developing IP policies and support services through feasibility studies and trainings.

Component V: Enhanced capacity of ASEAN to support, monitor and co-ordinate

regional policies and work streams on IP including support to ASEAN institution building. The key activities under this component, subject to the outcome of the inception phase and agreement of annual activity project estimate/budgets, will be the provision of technical assistance to enhance ASEAN Secretariat's capacity to take forward regional work streams on IP. Activities will include: technical studies & consultations (e.g. feasibility of regional systems of IP protection and administration, pro-competitive approaches to enforcement of IPRs, ASEAN IP training centre network); regional seminars, conferences and other events on IP as a tool for development (e.g. ASEAN exhibitions for innovation & creative industries); ASEAN-wide databases (e.g. baseline and annual data on IP asset creation, IP graduates, and other key IP statistics and data); reports on IP in ASEAN, aimed at raising the profile of IP with ministers,

senior policymakers and business leaders; ASEAN IP help-desk (Business Development Services, IP commercialization, IP audits, registration, etc);

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission’s TRA been aligned to the partners’ evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners’ development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

<p>Summary:</p> <ul style="list-style-type: none"> • Evaluation of EC co-operation with ASEAN states: “The cooperation programme was in line with the strategic goals of both the EC and ASEAN.” • Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II) states that “APRIS II is responding to the challenges of regional integration and its original design is still mostly relevant. ... The need for the project been clearly demonstrated and understood at key stakeholder level (ASEAN Secretariat & ASEAN Coordinating Committees) and in the main it’s the mode of delivery is appropriate to the stakeholders needs.” • Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II) states that “The programme has efficiently been delivered in accordance with the OWP and the AWP, and the capacity to implement the sub-projects exists within the technical assistance team and ASEAN Secretariat..” • ROM report for EU-ASEAN Statistical Capacity Building Programme state that the Overall Objective of the programme is in line with ASEAN policy priorities and the EC’s Regional Strategy for South East Asia 2007-2013 • EU-ASEAN Project on the Protection of Intellectual Property Rights III is in line with ASEAN policies (ASEAN Intellectual Property Rights Action Plan 2004-2010) and EC’s regional strategy for Asia
<p>Evaluation of EC co-operation with ASEAN June 2009</p>
<p>p. 8 (v):</p> <p>The cooperation programme was in line with the strategic goals of both the EC and ASEAN.</p>
<p>ASEAN Programme for Regional Integration Support II (APRIS II)</p>
<p>Mid-term Review September 2008</p>
<p>p. 10 (1)</p> <p>APRIS II is responding to the challenges of regional integration and its original design is still mostly relevant. The project is in step with the evolving integration agenda, particularly because it is directly supporting the ASEAN ECONOMIC COMMUNITY BLUEPRINT. The need for the project been clearly demonstrated and understood at key stakeholder level (ASEAN Secretariat & ASEAN Coordinating Committees) and in the main it’s the mode of delivery is appropriate to the stakeholders needs.</p>
<p>p. 10 (1)</p> <p>The programme has efficiently been delivered in accordance with the OWP and the AWP, and the capacity to implement the sub-projects exists within the technical assistance team and</p>

ASEAN Secretariat.

EU-ASEAN Statistical Capacity Building Programme

ROM report MR-127000.01

p. 2

The Overall Objective of this project is to support regional integration in ASEAN Member Countries (AMCs) through more accurate and relevant statistics, is well aligned with both ASEAN policy priorities and the EC's Regional Strategy for South East Asia 2007-2013. In 2001 the ASEAN Heads of Statistical Offices (ASHOM) adopted the ASEAN Framework of Co-operation in Statistics which stressed the need for intensified regional cooperation in statistics in four core areas: i) provision of timely and comparable statistics to support policy making; ii) harmonisation of classifications and concepts; iii) adopting international best practice and iv) improving the quality of official statistics.

EU-ASEAN Project on the Protection of Intellectual Property Rights III

Technical and Administrative Provision

p.4

The **ASEAN IPR Action Plan 2004-2010**, (part of the Vientiane Action Programme) places regional co-operation in IPR in a context of social, economic and technological development. At micro level, it seeks to improve the dynamism, efficiency and flexibility of enterprises. Reviewing and aligning domestic IPR laws and regulations for TRIPS conformance among the WTO members of ASEAN is a priority.

The **EC's Regional Programming- for Asia- Strategy Document 2007-2013** states at chapter 4 par 4.1: "*Community support will concentrate on three focal areas: (I) regional capacity building and support to region-to-region dialogues in a non-exhaustive list of areas and sectors that includes trade facilitation and intellectual property rights (IPR), which include aspects of capacity building for ASEAN-EU FTA negotiations as well as activities to support ASEAN integration. In the Multi-annual Indicative Programme for Asia 2007-2010 par 2.1 the three foreseen activities to benefit ASEAN include "Institutional support and region-to region dialogue"*.

ECAP III will contribute to the achievement of the **Millennium Development Goals (MDGs)**. Goal 1 is indirectly addressed, as the programme will contribute to eradicate extreme poverty and hunger, by increasing economic activities in areas protected by IPR, such as GIs and industrial investment. Goal 8 is directly addressed, especially Target 12, as the programme will contribute to develop further an open, rule-based, predictable, non discriminatory trading and financial system, Target 13, with a special attention to Laos and Cambodia, Target 14 with a special attention to Laos, Target 18 as, when new technologies are protected, foreign companies are more willing to enter the market (investment, trade). The project is consistent with the **Paris Declaration** commitments to ownership, alignment, harmonisation and mutual accountability.

ECAP III supports the objectives of the **EC Development Cooperation Instrument** as regards sustainable economic development and the smooth and gradual integration of developing countries into the world economy.

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

Summary:

- ROM report MR-127000.02 for EU-ASEAN Statistical Capacity Building Programme states that the programme was preceded by a highly consultative process and demand driven needs

assessment with all relevant stakeholders
EU-ASEAN Statistical Capacity Building Programme
ROM report MR-127000.02
Sheet “1. Quality of project design”
The programme was preceded by a highly consultative process and demand driven needs assessment with all relevant stakeholders at both regional and national level, and the programme has been properly positioned in the ASEAN Stats unit, which is responsible for coordinating statistics from various ASEAN Divisions and NSOs as well as processing and disseminating regional statistics.

2.1.1.3 I 1.1.4- Share of TRA designs that are explicitly based on national/regional trade strategies

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

2.1.2.2 I 1.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

Summary:
<ul style="list-style-type: none"> • Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II): “Coverage of numerous areas reacting to demand from ASEC and CCs (Coordinating Committee (ASEAN) and working groups” And “Important external conditions have been mostly been identified and any preconditions met” • ROM report MR-127000.01 for EU-ASEAN Statistical Capacity Building Programme states that the programme might overstrain absorption capacities of partner and recommends to slow down project implementation due to absorption capacity constraints ROM report MR-127000.02for EU-ASEAN Statistical Capacity Building Programme states that the recommended slowing down and focusing on a few priorities happened, to be adequate to the absorption capacity. “With the slowdown of STE due to absorption capacity constraints and the extension of the programme, the programme has showed flexibility in adapting to the current situation.” • ROM report MR-127000.02for EU-ASEAN Statistical Capacity Building Programme furthermore states “The programme team has shown great flexibility in terms of adapting to national needs and requirement in the AMCs, i.e. in terms of adapting missions and training needs to national work plans, constantly struggling with and trying to adapt to capacity constraints and complicated institutional arrangements in combination with inefficient coordination at the national level.
ASEAN Programme for Regional Integration Support II (APRIS II)
Mid-term Review September 2008
p. 25 (16)
Coverage of numerous areas reacting to demand from ASEC and CCs (Coordinating Committee (ASEAN) and working groups
...
Important external conditions have been mostly been identified and any preconditions met
EU-ASEAN Statistical Capacity Building Programme

ROM report MR-127000.01

p. 3

In terms of scale, this six million euro programme translates into 4200 man days of TA over three years. Much of this TA is targeted to ASEAN states which has

5 professional staff. Besides being ambitious and possibly unrealistic in scope and scale, the design is cumbersome and difficult to communicate to stakeholders. Against a backdrop of limited absorption capacities, this programme may exacerbate capacity constraints and undermine aid effectiveness.

...

Given the absorption capacity constraints, which were recognised in the design, the programme may have been better served by being less ambitious and more focused on the priority areas of IMT, FDI and ITS. It is recommended: EC Del & ASEAN Stats: 1) Slow the mobilisation of short term experts in line with absorption capacity and extend project period for 1 year;

ROM report MR-127000.02

p. 2

The eight months extension of the programme in combination with the narrowing down of the second Programme Purpose (PP) to a clearer focus on three key statistical areas; International Merchandise Trade Statistics (IMTS), International Trade in Service Statistics (SITS) and Foreign Direct Investment Statistics (FDIS) (and certain activities in the field of the Millennium Development Goal indicators), addresses initial absorption capacity constraints, facilitates activity planning and increases the prospects of achieving the PP

p. 2

With the slowdown of STE due to absorption capacity constraints and the extension of the programme, the programme has showed flexibility in adapting to the current situation.

Sheet "Efficiency"

The programme team has shown great flexibility in terms of adapting to national needs and requirement in the AMCs, i.e. in terms of adapting missions and training needs to national work plans, constantly struggling with and trying to adapt to capacity constraints and complicated institutional arrangements in combination with inefficient coordination at the national level.

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

2.1.3.3 I 1.3.4 -Use of effective TRA monitoring systems contributing to the Paris Declaration Principle "Managing for Results"

Summary:

- Mid-term review of ASEAN Programme for Regional Integration Support II states that APRIS' monitoring system is mainly activity based
- ROM report MR-127000.01 for EU-ASEAN Statistical Capacity Building Programme states that

<p>”The Objective Verifiable Indicators are not specific and measurable which will create monitoring challenges later.” It was furthermore recommended to strengthen the monitoring system.</p> <ul style="list-style-type: none"> • ROM report MR-127000.02 for EU-ASEAN Statistical Capacity Building Programme states: “However, the seven project result areas are connected to OVIs that are generally not measurable or SMART, which will create further monitoring and evaluation challenges.” • ROM report MR-20057.03 for EC-ASEAN Intellectual Property Rights Cooperation Programme (ECAP II) states “Addendum 1 to the original contract incorporates a section on indicators of achievement. However, they do not constitute the basis for an Internal Monitoring System as there is no systematic data collection and they are not used for reporting on progress.”
ASEAN Programme for Regional Integration Support II (APRIS II)
Mid-term Review September 2008
<p>p. 20 (11)</p> <p>Efficiency – Key findings</p> <ul style="list-style-type: none"> • Good Activity Reporting System • Limited impact assessment beyond activity level
<p>p. 24 (15)</p> <p>There is no apparent results monitoring system in place which tries to track the outcome of the sub-projects and their effect on the beneficiaries, nor synthesises the progress towards economic integration in the areas in which the programme is active. In essence a monitoring system which goes beyond the reporting of delivery to the reporting of adoption and utilisation.</p>
EU-ASEAN Statistical Capacity Building Programme
ROM report MR-127000.01
<p>p. 2</p> <p>The Objective Verifiable Indicators are not specific and measurable which will create monitoring challenges later.</p>
<p>p. 3.</p> <p>Recommendations:</p> <p>1) strengthen the monitoring system with more specific and measurable OVIs & completed questionnaire for baseline;</p>
ROM report MR-127000.02
<p>p. 2</p> <p>However, the seven project result areas are connected to OVIs that are generally not measurable or SMART, which will create further monitoring and evaluation challenges.</p>
EC-ASEAN INTELLECTUAL PROPERTY RIGHTS COOPERATION PROGRAMME (ECAP II)
ROM report MR-20057.03
<p>p. 1</p> <p>This ensures the programme’s responsiveness to the real needs of partner countries. Addendum 1 to the original contract incorporates a section on indicators of achievement. However, they do not constitute the basis for an Internal Monitoring System as there is no systematic data collection and they are not used for reporting on progress.</p>

2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

2.1.3.5

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

Summary:

- The Evaluation of EC co-operation with ASEAN states “EC support through multiple channels has significantly contributed to regional economic integration and has helped to foster closer EC-ASEAN trade relations. However, there has been a lack of effective coordination between support to ASEC and other programmes, whether country-level activities developed at the regional level or country-level activities carried out under bilateral cooperation programmes.”
-

Evaluation of EC co-operation with ASEAN June 2009

p. 9 (vi):

Conclusions:

EC support through multiple channels has significantly contributed to regional economic integration and has helped to foster closer EC-ASEAN trade relations. However, there has been a lack of effective coordination between support to ASEC and other programmes, whether country-level activities developed at the regional level or country-level activities carried out under bilateral cooperation programmes.

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

Summary:

- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II) states that “The programme has efficiently been delivered in accordance with the OWP and the AWP, and the capacity to implement the sub-projects exists within the technical assistance team and ASEAN Secretariat..” and that “the mode of delivery is mostly appropriate to the stakeholders needs”
- ROM report MR-127000.01 for EU-ASEAN Statistical Capacity Building Programme states that the programme might overstrain absorption capacities of partner and recommends to slow down project implementation due to absorption capacity constraints
- ROM report MR-127000.02 for EU-ASEAN Statistical Capacity Building Programme states that the recommended slowing down and focusing on a few priorities happened, to be adequate to the absorption capacity

ASEAN Programme for Regional Integration Support II (APRIS II)

Mid-term Review September 2008

p. 10 (1)

The programme has efficiently been delivered in accordance with the OWP and the AWP, and the capacity to implement the sub-projects exists within the technical assistance team and ASEAN Secretariat.

p. 17 (6)

Relevance of project:
Findings: <ul style="list-style-type: none"> the mode of delivery is mostly appropriate to the stakeholders needs
EU-ASEAN Statistical Capacity Building Programme
ROM report MR-127000.01
p. 3 In terms of scale, this six million euro programme translates into 4200 man days of TA over three years. Much of this TA is targeted to ASEAN stats which has 5 professional staff. Besides being ambitious and possibly unrealistic in scope and scale, the design is cumbersome and difficult to communicate to stakeholders. Against a backdrop of limited absorption capacities, this programme may exacerbate capacity constraints and undermine aid effectiveness. ... Given the absorption capacity constraints, which were recognised in the design, the programme may have been better served by being less ambitious and more focused on the priority areas of IMT, FDI and ITS. It is recommended: EC Del & ASEAN Stats: 1) Slow the mobilisation of short term experts in line with absorption capacity and extend project period for 1 year;
ROM report MR-127000.02
p. 2 The eight months extension of the programme in combination with the narrowing down of the second Programme Purpose (PP) to a clearer focus on three key statistical areas; International Merchandise Trade Statistics (IMTS), International Trade in Service Statistics (SITS) and Foreign Direct Investment Statistics (FDIS) (and certain activities in the field of the Millennium Development Goal indicators), addresses initial absorption capacity constraints, facilitates activity planning and increases the prospects of achieving the PP

2.2.2 JC2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

- 2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries**
- 2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions**
- 2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)**

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

- 2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities**
- 2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support**

2.3 EQ 3 - To what extent has the Commission's TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

Summary:

- The Evaluation of EC co-operation with ASEAN states "However, better coordination between country-level and ASEC-level ASEAN programmes, and between ASEAN-level cooperation and bilateral cooperation, would have resulted in synergies and improved the overall effectiveness of the EC cooperation programme." Furthermore "A similar observation applies to trade-related technical assistance implemented bilaterally; this could have been more closely aligned with regional priorities and the ASEAN commitments that countries had undertaken."
- The Financing Agreement (from 2009) for the EU-ASEAN Project on the Protection of Intellectual Property Rights III lists several bilateral and regional programmes and projects for which it sees potential synergies

Evaluation of EC co-operation with ASEAN June 2009

p. 38 (24):

Findings:

However, better coordination between country-level and ASEC-level ASEAN programmes, and between ASEAN-level cooperation and bilateral cooperation, would have resulted in synergies and improved the overall effectiveness of the EC cooperation programme.

...

Regarding the strengthening of regional economic integration, effectiveness and efficiency have suffered from a lack of synergies and coordination between EC support for ASEC, and bilateral, as well as regional, programmes on the country level, EC support for the ASEC (via APRIS) without specific and linked support to the ASEAN MSs, whether through the national components of regional programmes or bilateral support, had less overall impact that it would have had there been better coordination, not so much at the strategic level as at the level of implementation.

...

A similar observation applies to trade-related technical assistance implemented bilaterally; this could have been more closely aligned with regional priorities and the ASEAN commitments that countries had undertaken

Technical and Administrative Provision

p. 7

At the **bilateral level** there are potential synergies with ongoing EC-funded trade-related technical assistance programmes, such as the Thailand-EC Cooperation Facility. Others include:

- In Cambodia, a new national trade capacity building programme with the World Bank, including an IP component is under preparation. The EC is contributing €7.5m. ECAP III will coordinate with it avoiding duplication.
- In Indonesia, a second phase of Trade Support Programme will likely start in 2009 for three years. ECAP III will coordinate with them through the Indonesia IP Office and other stakeholders.
- In Lao PDR, a Trade Facilitation Trust Fund has been set up, through which the EC, together with the World Bank and AusAid, will support, from 2008, the Government of Lao PDR's effort to improve trade facilitation and to enhance capacity in related fields such as customs. The EC contribution is EUR4.7 Million. ECAP III will coordinate with it avoiding duplication.
- In the Philippines, The EU-RP TRTA is a €3.92M two-year programme. The programme will help the Philippines to participate fully in regional economic integration. ECAP III will coordinate with them, especially under the component "*WTO Capacity Building*" managed by Department of Trade and Industry. The programme intends to assist the Philippines in building an enabling economic

environment and enhance the conditions for international trade and investment. And to advance the knowledge and capacity of stakeholders in dealing with WTO and other international trade related issues.

- In Vietnam, the MUTRAP programme has supported Vietnam's international economic integration process over the past seven years, with a Preparatory Phase (1998-99), MUTRAP I (2001-03), Extension and Bridging Phases (2003-04) and the present MUTRAP II (2005-08). MUTRAP II component on AGRI-2 has build upon the work done on GIs with a view to prepare the first prospective application for EU registration of the first Vietnamese GI (Nuoc Mam of Phu Quoc are two examples). Furthermore, ETV-2 program on customs has coordinated successfully with ECAP II, with a view to deepen the understanding and strengthening customs IPR enforcement. ECAP III will capitalise on these experiences, making synergies with the programmes.
- In China the EU-China Project on the Protection of Intellectual Property Rights (IPR II), which commenced in September 2007, will be thoroughly examined as a potential cooperative partner for ECAP III. An exchange of experts might also be envisaged.

At **regional level** strong synergies will be sought with *APRIS II*, key cooperation instrument providing support for the ASEAN integration agenda (defined in the Vientiane Action Plan), and the programme currently under preparation titled: *Enhancing Economic Partnership/Support to the EU-ASEAN FTA negotiating process also covering IPR related actions*

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

Summary:

- The Evaluation of EC co-operation with ASEAN states that “The overall picture that emerges, therefore, is of a programme that was of reasonable quality, consistent with EC strategic objectives, and in line with regional priorities; but whose impacts were limited and often indirect in nature.”

Evaluation of EC co-operation with ASEAN June 2009

p. 9 (vi):

The overall picture that emerges, therefore, is of a programme that was of reasonable quality, consistent with EC strategic objectives, and in line with regional priorities; but whose impacts were limited and often indirect in nature.

p. 38 (24)

No doubts have emerged regarding the appropriateness of the EC's overall engagement with respect to EC strategic priorities.

2.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

Summary:

- Mid-term review of ASEAN Programme for Regional Integration Support II states “It has been stated to the MTR team by a number of stakeholders that the direct involvement of the private sector should be higher in the programme implementation. This is somewhat problematic for a regional programme mostly working through public sector institutions, and where there is no clear private sector counterpart with a regional mandate in many of the sectors in which APRIS II is working.”

ASEAN Programme for Regional Integration Support II (APRIS II)

Mid-term Review September 2008

p. 17 (6)

It has been stated to the MTR team by a number of stakeholders that the direct involvement of the private sector should be higher in the programme implementation. This is somewhat problematic for a regional programme mostly working through public sector institutions, and where there is no clear private sector counterpart with a regional mandate in many of the sectors in which APRIS II is working.

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

Summary:

- The Evaluation of EC co-operation with ASEAN states “However, there is no evidence that the EC and other major donors [including EU MS] have coordinated policy positions regarding ASEAN, not have they engaged in joint programming. Information-sharing has not resulted in a formal division of labour in support to the ASEC. There is little evidence of coordination with the International Financial Institutions.” Furthermore “The EC engaged in “exchanges of views” with other donors and its strategic planning documents incorporate basic concerns regarding other actors. The coordination of activities with other donors (USAid, AusAid, GTZ, JICA and InWEnt) has taken place informally. Formal coordination meetings held monthly and chaired by the EC Delegation in Jakarta commenced recently.”
-

Evaluation of EC co-operation with ASEAN June 2009

p. 39 (25):

Findings:

However, there is no evidence that the EC and other major donors have coordinated policy positions regarding ASEAN, not have they engaged in joint programming. Information-sharing has not resulted in a formal division of labour in support to the ASEC. There is little evidence of coordination with the IFIs.

...

The EC engaged in “exchanges of views” with other donors and its strategic planning documents incorporate basic concerns regarding other actors. The coordination of activities with other donors (USAid, AusAid, GTZ, JICA and InWEnt) has taken place informally. Formal coordination meetings held monthly and chaired by the EC Delegation in Jakarta commenced recently.

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

Summary:

- ROM report MR-127000.01 for EU-ASEAN Statistical Capacity Building Programme states that the programme should improve coordination with SIDA.
- ROM report MR-127000.02 for EU-ASEAN Statistical Capacity Building Programme states: “The EASCAB programme is by far the largest and most important programme focusing on statistics on a regional level and although no formal donor mechanism exists, there is reasonable awareness of other interventions with components crossing into the statistical area at the national level.”

EU-ASEAN Statistical Capacity Building Programme

ROM report MR-127000.01

p. 3

Recommendation:

4)

improve donor co-ordination with Swedish Aid (SIDA), particularly in CLV (Cambodia, Laos, Vietnam) countries where SIDA has winning programmes in statistics as well as in the database area;

ROM report MR-127000.02

p. 3

The EASCAB programme is by far the largest and most important programme focusing on statistics on a regional level and although no formal donor mechanism exists, there is reasonable awareness of other interventions with components crossing into the statistical area at the national level.

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Summary:

- The Evaluation of EC co-operation with ASEAN states “However, there is no evidence that the EC and other major donors have coordinated policy positions regarding ASEAN, not have they engaged in joint programming. Information-sharing has not resulted in a formal division of labour in support to the ASEC. There is little evidence of coordination with the International Financial Institutions.” Furthermore “The EC engaged in “exchanges of views” with other donors and its strategic planning documents incorporate basic concerns regarding other actors. The coordination of activities with other donors (USAid, AusAid, GTZ, JICA and InWEnt) has taken place informally. Formal coordination meetings held monthly and chaired by the EC Delegation in Jakarta commenced recently.”
- The EVALUATION OF EC CO-OPERATION WITH ASEAN also states “Not anticipated in framing the EQ but clearly germane is the contribution of the EC to achieving coherence and complementarity with regard to the international assistance programmes of the better-off ASEAN member states. In the Joint Co-Chairmen’s Statement of the 16th EU-ASEAN Ministerial Meeting, Nuremberg, ministers welcomed the trilateral cooperation which combines the development assistance of individual ASEAN member countries and the EC, to the benefit of the CLMV countries (Cambodia, Laos, Myanmar and Vietnam).”
- ASEAN Programme for Regional Integration Support II (APRIS II) provided support in one area in line with a much bigger USAID programme
- ROM report MR-127000.02 for EU-ASEAN Statistical Capacity Building Programme states: “The EASCAB programme is by far the largest and most important programme focusing on statistics on a regional level and although no formal donor mechanism exists, there is reasonable awareness of other interventions with components crossing into the statistical area at the national level.”
- The Financing Agreement (from 2009) for the EU-ASEAN Project on the Protection of Intellectual Property Rights III lists several programmes of other donors in the same area. It furthermore foresees other means for donor coordination (mainly via the ASEAN secretariat)

Evaluation of EC co-operation with ASEAN June 2009

p. 39 (25):

Findings:

However, there is no evidence that the EC and other major donors have coordinated policy positions regarding ASEAN, nor have they engaged in joint programming. Information-sharing has not resulted in a formal division of labour in support to the ASEC. There is little evidence of coordination with the IFIs.

...

The EC engaged in “exchanges of views” with other donors and its strategic planning documents incorporate basic concerns regarding other actors. The coordination of activities with other donors (USAid, AusAid, GTZ, JICA and InWEnt) has taken place informally. Formal coordination meetings held monthly and chaired by the EC Delegation in Jakarta commenced recently.

...

p. 39/40 (25/26):

Coordination between the EC and International Financial Institutions (IFI) is limited and there seem to be missed opportunities. For example, in the case of the Asia Trust Fund, the absence of cooperation between the EC and WTO and UNCTAD in the design and implementation of ATF projects - despite the call for such cooperation made when the facility was established - is rather surprising as many project activities could have benefited from such cooperation, according to the final evaluation of the ATF Malaysia component

p. 40 (26)

Not anticipated in framing the EQ but clearly germane is the contribution of the EC to achieving coherence and complementarity with regard to the international assistance programmes of the better-off ASEAN member states. In the Joint Co-Chairmen’s Statement of the 16th EU-ASEAN Ministerial Meeting, Nuremberg, ministers welcomed the trilateral cooperation which combines the development assistance of individual ASEAN member countries and the EC, to the benefit of the CLMV countries (Cambodia, Laos, Myanmar and Vietnam).

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p. 36 (27)

With regard to (b), it is noted that APRIS II has been advised by the Secretariat to confine its ASW engagement to data harmonization in view of much bigger support being provided by the USAID-ASEAN Development Vision to Advance National Cooperation for Economic Integration (ADVANCE). Within data harmonization, APRIS intervention has been focused on the ASEAN Customs Declaration Document (ACDD) and Certificates of Origin (particularly the CEPT Form and preferential Certificates of Origin). Outputs of the exercise provide a solid background to the development of the ASW as undertaken by the ASW Steering Committee.

EU-ASEAN Statistical Capacity Building Programme

ROM report MR-127000.02

p. 3

The EASCAB programme is by far the largest and most important programme focusing on statistics on a regional level and although no formal donor mechanism exists, there is reasonable awareness of other interventions with components crossing into the statistical area at the national level.

p. 8

The **EU-US** Action Strategy for the Enforcement of IPR, established in 2006 intensified cooperation in this area. The USPTO's database and web-platform on IP technical assistance and training activities provides a potential model that could be adopted by ECAP III. The EC- US Customs Cooperation Agreement signed in May 1997 provides a platform to exchange information on technical assistance to third countries and to develop joint customs strategies. Additionally US Aid development Agency (USAID) is implementing the project ADVANCE aiming at strengthening the ASEAN Secretariat capacity and at facilitating greater economic integration and improved governance in the ASEAN region. It will be running till 2015 with a budget of USD 150mill.

The **EC-Japan** Customs Cooperation Agreement signed in January 2008 provides the same opportunities as the latter. The Japan Patent Office provides support for human resources development and computerization in ASEAN IP offices. This is achieved through the sending of experts and the receipt of trainees. ECAP III will operate in this framework.

IP Australia works jointly with WIPO in a number of development co-operation activities for the benefit of ASEAN countries, including seminars and in-house training to senior patent examiner trainers. Initiatives pursued by the Member States will also be coordinated, such as France's support to the FTA negotiation.

...

1.4 Donor coordination

The ASEAN Secretariat, through the AWGIPC, will play an active and leading role in coordinating the donors' activities. This will further enhance the sense of ownership.

The ASEAN Secretariat benefits from US and JAPAN capacity building and is in the best position to coordinate donors' initiatives on IPRs. ECAP III will be coordinated through a regional project office located in an ASEAN Member country which will facilitate close and regular contact with other donors and EC/EU programmes in the region. To secure significant ASEAN involvement and ownership in the coordination of ECAP III activities with other IP technical assistance programs in the region, there will be close collaboration between the project implementing agency team and the AWGIPC as well as the ASEAN Secretariat, institutionalized via the ECAP III Steering Committee. Other donors such as WIPO, USPTO, IP Australia and Japan will be invited as observers. Proposed activities for ECAP III will be posted to the project and ASEAN Secretariat websites as a means of informing other donors and as an endeavour to avoid duplication. Joint funding of seminars, training events and other activities, as well as sharing of information may all be envisaged between ECAP III, and IPR technical assistance programmes supported by US, Japan and Australia in ASEAN.

2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)

Summary:

- ROM report MR-127000.01 for EU-ASEAN Statistical Capacity Building Programme states that "Although there is no formal donor co-ordination mechanism at the ASEAN Secretariat, there is, nevertheless, an informal co-ordination process between each of the donor funded projects which has averted any serious duplication."

p. 3

Although there is no formal donor co-ordination mechanism at the ASEAN Secretariat, there is, nevertheless, an informal co-ordination process between each of the donor funded projects which has averted any serious duplication. Faced with resource constraints, there is a tendency for the secretariat to go donor 'shopping' in order to get pet projects financed. Of particular note, Australian Aid are reducing their TA to ASEAN due to limited absorption capacity.

2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries

Summary:

- The Evaluation of EC co-operation with ASEAN states “However, there is no evidence that the EC and other major donors have coordinated policy positions regarding ASEAN, not have they engaged in joint programming. Information-sharing has not resulted in a formal division of labour in support to the ASEC. There is little evidence of coordination with the International Financial Institutions.”

Evaluation of EC co-operation with ASEAN June 2009

p. 39 (25):

Findings:

However, there is no evidence that the EC and other major donors have coordinated policy positions regarding ASEAN, not have they engaged in joint programming. Information-sharing has not resulted in a formal division of labour in support to the ASEC. There is little evidence of coordination with the IFIs.

2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

Summary:

- The Evaluation of EC co-operation with ASEAN states that “The EC was able to offer specific experience and, by, exploiting its comparative advantage in the area of economic integration, added value. The close integration of APRIS consultancy and technical studies into the ASEAN Secretariat work agenda is adequate evidence of the relevance of the work to the ASEAN Secretariat’s needs. “ And “The EC has the comparative advantage relative to other donors at the ASEC in terms of APRIS’ and the regional projects’ ability to draw on the experiences and lessons learned through the European integration process.”

Evaluation of EC co-operation with ASEAN June 2009

p. 31 (17):

Findings:

EC interventions meet ASEC’s explicitly expressed interest in familiarizing itself with structures, processes and agencies of the European integration process. EC interventions met ASEC’s explicitly expressed interest in familiarizing itself with structures, processes and agencies of the European integration process. The EC was able to offer specific experience and, by, exploiting its comparative advantage in the area of economic integration, added value. The close integration of APRIS consultancy and technical studies into the ASEAN Secretariat work agenda is adequate evidence of

the relevance of the work to the ASEAN Secretariat's needs.
<p>p. 33 (19):</p> <p>Findings:</p> <p>The EC has the comparative advantage relative to other donors at the ASEC in terms of APRIS' and the regional projects' ability to draw on the experiences and lessons learned through the European integration process.</p>
<p>p.39 (25)</p> <p><i>The EC has engaged in basic coordination to the extent of informal discussions, information sharing, etc. It has attempted to avoid overlap and has successfully exploited comparative advantage (despite the need for better coordination between ASEAN and bilateral-level programmes noted elsewhere).</i></p>

JC 3.4—Complementarity between support to global TRA interventions and regional TRA

- 2.3.3.5 I 3.4.1 Evidence that implications for regional TRA strategies have been considered when contributing to global initiatives
- 2.3.3.6 I 3.4.2 Evidence that Commission's support to global initiatives addresses challenges not equally addressable through regional strategies
- 2.3.3.7 I 3.4.3 –Evidence of Commission's regional TRA integration strategies providing added value compared to global initiatives

2.4 EQ 4 - To what extent has the Commission's support contributed to an improved trade policy environment at national level?

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

- 2.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

- 2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity
- 2.4.2.2 I 4.2.2 Introduction/improvements of policy services provided by public trade-related institutions to citizens / enterprises
- 2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions
- 2.4.2.4 I 4.2.4 Changes of 'customer' satisfaction related to the output produced by trade-related public institutions

2.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

- 2.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations
- 2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations
- 2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

2.5 EQ 5 - To what extent has the Commission's TRA to trade facilitation contributed to reducing trade-related transaction costs?

2.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

2.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced

2.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

Summary:

- The Evaluation of EC co-operation with ASEAN states that “*Progress towards the implementation of the ASEAN Free Trade Area, customs harmonization, standards harmonization, IP legislation, registration and awareness etc. would have been reduced without the EC support.*”
- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II): “Comp. 2: (Customs & Trade Facilitation) Significant contribution in specific subcomponents of ACDD (ASEAN Customs Declaration Document), Training Needs Analysis blueprint and data harmonisation”
-

Evaluation of EC co-operation with ASEAN June 2009

p. 29 (15)

Findings:

Progress towards the implementation of the ASEAN Free Trade Area, customs harmonization, standards harmonization, IP legislation, registration and awareness etc. would have been reduced without the EC support.

ASEAN Programme for Regional Integration Support II (APRIS II)

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p. 26 (16)

Comp. 2: (Customs & Trade Facilitation) Significant contribution in specific subcomponents of ACDD (ASEAN Customs Declaration Document), Training Needs Analysis blueprint and data harmonisation

2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

2.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

2.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)

2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)

Summary:

- The Evaluation of EC co-operation with ASEAN states that “...an overall consideration of the evidence suggests that EC support made a contribution. This applies especially to the areas

of standards and sanitary and phytosanitary standards SPS, harmonisation and simplification of customs procedures, intellectual property rights or IPRs and strengthened dialogue on trade and integration.”

- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II) states that “Component 2 [Customs and Trade Facilitation] has made a significant contribution in specific sub-components of ASEAN Customs Declaration Document, Training Needs Analysis blueprint and data harmonization. Potential risks in achieving the proposed results are faced with regard to customs transit regime and with the broader ASEAN Single Window/National Single Window approach”

Evaluation of EC co-operation with ASEAN June 2009

p. 29 (15:

Findings:

Although, in assessing each of the Judgment Criteria, we noted difficulties in ascribing impacts to the EC and the EC alone; an overall consideration of the evidence suggests that EC support made a contribution. This applies especially to the areas of standards and sanitary and phytosanitary standards SPS, harmonisation and simplification of customs procedures, intellectual property rights or IPRs and strengthened dialogue on trade and integration.

Summary:

- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II) states that “Component 2 has made a significant contribution in specific sub-components of ASEAN Customs Declaration Document, Training Needs Analysis blueprint and data harmonization. Potential risks in achieving the proposed results are faced with regard to customs transit regime and with the broader ASEAN Single Window/National Single Window approach”

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p. 11 (2)

Component 2 has made a significant contribution in specific sub-components of ASEAN Customs Declaration Document, Training Needs Analysis blueprint and data harmonization. Potential risks in achieving the proposed results are faced with regard to customs transit regime and with the broader ASEAN Single Window/National Single Window approach

2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

2.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

Summary:

- The Evaluation of EC co-operation with ASEAN states that “...an overall consideration of the evidence suggests that EC support made a contribution. This applies especially to the areas of standards and sanitary and phytosanitary standards SPS,...”

Evaluation of EC co-operation with ASEAN June 2009

p. 29 (15:

Findings:

Although, in assessing each of the Judgment Criteria, we noted difficulties in ascribing impacts to the EC and the EC alone; an overall consideration of the evidence suggests that EC support made a contribution. This applies especially to the areas of standards and sanitary and phytosanitary standards SPS, harmonisation and simplification of customs procedures, intellectual property rights or IPRs and strengthened dialogue on trade and integration.

2.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

2.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

2.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

2.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

2.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

2.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

Summary:

- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II) states that “Comp. 1: (Standards) Significant contribution to specific sectors in particularCosmetics and increasingly to EEE. Potential in other sectors not yet fully realized”
-

Evaluation of EC co-operation with ASEAN June 2009

p. 30 (16):

Findings:

APRIS was successful in:

...

- improving the capacity of the ASEAN Secretariat to undertake its tasks through supporting its ISO certification and various training activities;

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p. 26 (16)

Comp. 1: (Standards) Significant contribution to specific sectors in particular Cosmetics and increasingly to EEE. Potential in other sectors not yet fully realized

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies

2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies

2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 JC 6.4 - Cost of compliance reduced

2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance

2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

2.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

<p>Summary:</p> <ul style="list-style-type: none"> The Evaluation of EC co-operation with ASEAN states that “<i>EC assistance to ASEAN during the assessment period has resulted in high-level outputs with regard to the support of regional economic integration and trade initiatives, and there has been tangible progress towards regional trade and economic integration.</i>”
<p>Evaluation of EC co-operation with ASEAN June 2009</p>
<p>p. 8 (v):</p> <p>In our review, we have found that EC assistance to ASEAN contributed significantly to progress made in regional economic integration.</p> <p>...</p> <p>The ultimate impact of the EC's support to the ASEC must be placed in the context of the overall integration process, in which ASEAN Member States, not weak capacity at ASEC, are the main constraint to more rapid progress.</p>
<p>p. 29 (15):</p> <p>Findings:</p> <p><i>EC assistance to ASEAN during the assessment period has resulted in high-level outputs with regard to the support of regional economic integration and trade initiatives, and there has been tangible progress towards regional trade and economic integration. Progress towards the implementation of the ASEAN Free Trade Area, customs harmonization, standards harmonization, IP legislation, registration and awareness etc. would have been reduced without the EC support.</i></p>

2.7.1 JC 7.1 Degree to which Commission TRA facilitated the development and conclusion of regional legal and institutional architecture, addressing key issues for economic integration

2.7.1.1 I 7.1.1 Commission regional policy and strategy documents identify appropriate actions to address key barriers for regional integration (regulatory/ legislative, institutional) and to assist adjustment (gap analysis and programming)

<p>Summary:</p> <ul style="list-style-type: none"> Mid-term review states that ASEAN Programme for Regional Integration Support II is addressing the challenges of regional integration in line with the approach of ASEAN
<p>ASEAN Programme for Regional Integration Support II (APRIS II)</p>
<p>Mid-term Review September 2008</p>
<p>p. 17 (6)</p> <p>Relevance of project:</p> <p>Findings:</p> <ul style="list-style-type: none"> Congruence with EU Regional Indicative Programme & with National TRTA programmes Highly relevant to the ASEC (ASEAN Economic Community) work plans and AECB (ASEAN Economic Community Blue Print) APRIS II is fully responding to the challenges of regional integration

2.7.1.2 I 7.1.2 Regional trade and investment policy strategies in place and embedded in a coordinated agenda for implementation

2.7.1.3 I 7.1.3 New protocols, framework agreements or harmonised regulations agreed and implemented

Summary:

- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II): “The core results for this component are as follows: Adoption of harmonised ASEAN standards, conformance measures and regulations in specific sectors in line with the VAP and AECB. Harmonisation of ASEAN standards with international standards, guided by EU standards where relevant. Development of common post market surveillance systems in AMSs. Development of ASEAN Reference Laboratories and improved knowledge of Good Manufacturing Practise.”
- ASEAN Programme for Regional Integration Support II (APRIS II) provided support to ASEAN Single Window and ASEAN Customs Declaration Document Furthermore, a number of agreements have been reviewed and remedial action was recommended.
- ROM report MR-20057.03 for EC-ASEAN Intellectual Property Rights Cooperation Programme (ECAP II) states that the Programme paved the way for regional harmonization

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p. 33 (24)

The core results for this component are as follows:

- _ Adoption of harmonised ASEAN standards, conformance measures and regulations in specific sectors in line with the VAP and AECB.
- _ Harmonisation of ASEAN standards with international standards, guided by EU standards where relevant
- _ Development of common post market surveillance systems in AMSs
- _ Development of ASEAN Reference Laboratories and improved knowledge of GMP

p. 36 (27)

With regard to the first target result, there are two sub-components whose sub-projects (activities) and outputs are intended to contribute to its realization: (a) customs clearance; and (b) support to ASEAN Single Window (ASW).

With regard to (b), it is noted that APRIS II has been advised by the Secretariat to confine its ASW engagement to data harmonization in view of much bigger support being provided by the USAID-ASEAN Development Vision to Advance National Cooperation for Economic Integration (ADVANCE). Within data harmonization, APRIS intervention has been focused on the ASEAN Customs Declaration Document (ACDD) and Certificates of Origin (particularly the CEPT Form and preferential Certificates of Origin). Outputs of the exercise provide a solid background to the development of the ASW as undertaken by the ASW Steering Committee.

p.37 (28)

In addition to the ACDD, APRIS II has been supporting harmonization of data in other trade documents as an input to the envisaged ASEAN Single Window. In this regard, the ASEAN Single Window Technical Working Group (TWG) has agreed to attach priority to Certificates of Origin, including Form A for GSO and Form D for CEPT/AFTA, in pursuing its

dataharmonization agenda. The Team noted that the final outputs of the APRIS II Sub-project on the ASEAN Data Model (Workbase 1.0) were adopted by the ASW Steering Committee at its Second Meeting in April 2008.

EC-ASEAN INTELLECTUAL PROPERTY RIGHTS COOPERATION PROGRAMME (ECAP II)

ROM report MR-20057.03

p. 2

Impact

ECAP II has become a reputed authority and a reference point for IPR development in ASEAN, and impact in terms of EU visibility in the field of IPR in the region is particularly palpable. ECAP II broad longterm support approach based on persuasion rather than on imposition has constituted a core comparative advantage e.g. the EU approach to Geographical Indications has been widely adopted and paves the way for regional harmonisation. ECAP II website is an effective tool for output dissemination and is widely used as a resource base: it has 6,000 users and 116 individual subscribers to the monthly e-news, mostly IP professionals and private businesses. Given the incipient IPR baseline in Laos and Cambodia, ECAP II's most immediate tangible effect is that it is laying the basic foundations for IPR systems to be conducive to trade, investment and technology transfer in the future. Another effect of the programme is that it is promoting interaction among IPR actors i.e. between private sector enforcement agencies and between academic institutions and administrative bodies in a context where this interaction did not exist.

2.7.1.4 I 7.1.4 Number of regional economic communities supported by Commission TRA that have adopted provisions on TBT, SPS and trade facilitation

Summary:

- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II) states that there has been some work in the area of SPS including cooperation with DG SANCO. Furthermore “APRIS II responds squarely to the critical challenge of ASEAN economic integration, particularly: (a) removal of non-tariff barriers arising from TBT and SPS regulatory measures and customs administrative procedures, both of which need to be harmonised and streamlined in order to enhance the free movement of goods within ASEAN;...”

ASEAN Programme for Regional Integration Support II (APRIS II)

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p. 34 (25)

Fisheries

There have been a few very specific activities under this sub-project, mostly focusing on working with testing laboratories in the region and collaboration with DG SANCO. The overall aim is towards achieving full traceability along the supply chain and harmonisation of regulations.

Food Products

The sub-project has been working to set up a network of ASEAN Reference laboratories. It will also be working on GMP and HACCP for SMEs in the food industry, and delivering Training of Trainers support to the CLV countries, including in the area of food legislation, and supporting the proposed Consultative Committee on Food Safety.

p. 45 (36)

APRIS II responds squarely to the critical challenge of ASEAN economic integration, particularly: (a) removal of non-tariff barriers arising from TBT and SPS regulatory measures and customs administrative procedures, both of which need to be harmonised and streamlined in order to enhance the free

movement of goods within ASEAN; and

2.7.2 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

2.7.2.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

Summary:

- ROM report MR-20057.03 for EC-ASEAN Intellectual Property Rights Cooperation Programme (ECAP II) states that Intellectual Property Rights system was modernized in Laos Cambodia and Vietnam

EC-ASEAN INTELLECTUAL PROPERTY RIGHTS COOPERATION PROGRAMME (ECAP II)

ROM report MR-20057.03

p. 2

Moreover, ECAP II is proving highly effective in modernising and upgrading IPR systems which is the essence of the programme purpose. The number of trademark, patent and industrial applications received and processed has increased in all three countries and the proportion of local applications is on the rise, which shows increased levels of private sector awareness. Enhanced staff capacity and automation in Cambodia and Laos have eliminated initial backlogs in applications, and the decreasing number of appeals against administrative decisions in Vietnam reveals improvements in the quality of the certificates delivered by the IPO. Moreover, the emphasis on combining national activities e.g. workshop on petty patents in Thailand, is cost-effective and generates practical intra-ASEAN links.

2.7.2.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

Summary:

- The Evaluation of EC co-operation with ASEAN states that “a theme that has run throughout the evaluation is the need for better coordination between different levels and types of intervention, which would have improved the effectiveness and efficiency of the EC’s engagement. Better coordination can contribute particularly to addressing themes-match between ASEAN commitments and national implementation.” And “EC support through multiple channels has significantly contributed to regional economic integration and has helped to foster closer EC-ASEAN trade relations. However, there has been a lack of effective coordination between support to ASEC and other programmes, whether country-level activities developed at the regional level or country-level activities carried out under bilateral cooperation programmes.”
- ASEAN Programme for Regional Integration Support II (APRIS II) is supporting the ASEAN Secretariat as well as the public administration and bodies of the ASEAN Member States dealing with economic integration issues
- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II) states that “There is hardly any institutionalized exchange of information, let alone coordination and cooperation, between APRIS II and national level Trade Related Technical Assistance programmes being implemented or planned in a number of AMS which are also dealing with conformance and standards, customs administration and other economic development issues which will impact on regional integration.”

Evaluation of EC co-operation with ASEAN June 2009

p. 9 (vi):

While some interventions, like support for the ASEAN Secretariat, score extremely high marks for relevance, efficiency, and effectiveness, a theme that has run throughout the evaluation is the need for better coordination between different levels and types of intervention, which would have improved the effectiveness and efficiency of the EC's engagement. Better coordination can contribute particularly to addressing themes-match between ASEAN commitments and national implementation.

p. 9 (vi):

Conclusions:

EC support through multiple channels has significantly contributed to regional economic integration and has helped to foster closer EC-ASEAN trade relations. However, there has been a lack of effective coordination between support to ASEC and other programmes, whether country-level activities developed at the regional level or country-level activities carried out under bilateral cooperation programmes.

ASEAN Programme for Regional Integration Support II (APRIS II)

Mid-term Review September 2008

p. 10 (1)

The main direct beneficiary has been the ASEC, and in specific activities, primarily the public sectors of the AMSs. There has been very limited direct impact on secondary beneficiaries such as the private sector or civil society; though it is envisaged they are the ultimate beneficiaries of a successful regional economic integration process.

APRIS II is a timely development cooperation initiative between EC and ASEAN to meet the challenges of regional economic integration. APRIS II is mostly directed towards AMSs and ASEAN collegial bodies responsible for dealing with economic integration issues relating to conformance and standards, customs administration, investment, and legal issues surrounding compliance to various ASEAN agreements.

...

There is hardly any institutionalized exchange of information, let alone coordination and cooperation, between APRIS II and national level TRTA programmes being implemented or planned in a number of AMS which are also dealing with conformance and standards, customs administration and other economic development issues which will impact on regional integration. In addition, there is considerable variation in the absorptive capacity of each AMS, arising mainly from the significant development gap. As a regional project, APRIS II should always keep this in mind in the identification, design and implementation of sub-projects which are dependent on responses at the national level to technical assistance inputs.

2.7.3 JC 7.3 Degree to which Commission TRA strengthened institutional capacities of regional secretariats to support regional integration processes

Summary:

- The Evaluation of EC co-operation with ASEAN states that “EC support for the secretariat has increased ASEC’s institutional capacity with regard to the facilitation of the regional integration process.”
- Evaluation of EC co-operation with ASEAN states that “APRIS was successful in: ... improving the capacity of the ASEAN Secretariat to undertake its tasks through supporting its ISO certification and various training activities; “ This is confirmed by the Mid-Term Review of ASEAN Programme for Regional Integration Support II (APRIS II)

Evaluation of EC co-operation with ASEAN June 2009

p. 8 (v):

Much of this impact was achieved via EC support for the ASEAN Secretariat (ASEC); support which increased ASEC's institutional capacity to promote and manage regional integration process.

p. 30 (16):

Findings:

EC support for the secretariat has increased ASEC's institutional capacity with regard to the facilitation of the regional integration process. However, limiting factors - that EC interventions have not able to ease - are a lack of institutional memory due to high staff turnover particularly at the level of technical officers and lack of project databases. Moreover, the ultimate impact of the EC's successful support to the ASEC must be placed in the context of the overall integration process, in which sluggish implementation in ASEAN Member States, not weak capacity at ASEC, are the main constraint to more rapid progress.

ASEAN Programme for Regional Integration Support II (APRIS II)

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p. 42 (33)

The team found that there was not much debate or discussion relating to this component, probably because it was the least contentious and also the most successful in its delivery. ASEC has achieved ISO certification, which places it among the elite of the regional institutions from a management and organisational process perspective. APRIS I and II have played a significant part in facilitating the attainment of this quality.

2.7.3.1 I 7.3.1 Robust analysis of the level of regional capacity and clear identification of drivers and constraints for improving capacity

Summary:

- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II) reflects on capacity shortcomings and requirements of ASEAN Secretariat

ASEAN Programme for Regional Integration Support II (APRIS II)

Mid-term Review September 2008

p. 13 (4)

Indeed, the main purpose of APRIS II is to strengthen the capacity of ASEAN institutions to implement the VAP and the AECB to realize the target of transforming ASEAN into a single market and production base by 2015.

But there is still plenty of room left for capacity building within the ASEAN Secretariat, especially with the enlarged role that it is expected to play in community building upon entry into force of the ASEAN Charter by January 2009.

p. 14 (5)

While no dispute arising from ASEAN economic agreements has so far arisen and brought to ASEAN for settlement, it is expected that transformation of ASEAN into a rules-based organization would pave the way for resolution of those disputes, should they arise, through an enhanced ASEAN Dispute Settlement Mechanism (DSM). For an enhanced DSM to

effectively function, it is not enough that the Secretariat is empowered to perform an active role in the DSM process. More importantly, the capacity of the Secretariat to actually perform their assigned tasks with respect to prevention, arbitration and resolution of disputes in the context of an enhanced Dispute Settlement Mechanism (DSM) must be built. APRIS II again responds to this need for capacity building through Component IV to allow easy access to global, including EU, best practices.

2.7.3.2 I 7.3.2 Evidence of effective mechanisms for regional consultations with private sector and other non-state actors to provide voice

Summary:

- Mid-term review of ASEAN Programme for Regional Integration Support II states “It has been stated to the MTR team by a number of stakeholders that the direct involvement of the private sector should be higher in the programme implementation. This is somewhat problematic for a regional programme mostly working through public sector institutions, and where there is no clear private sector counterpart with a regional mandate in many of the sectors in which APRIS II is working.”

ASEAN Programme for Regional Integration Support II (APRIS II)

Mid-term Review September 2008

p. 17 (6)

It has been stated to the MTR team by a number of stakeholders that the direct involvement of the private sector should be higher in the programme implementation. This is somewhat problematic for a regional programme mostly working through public sector institutions, and where there is no clear private sector counterpart with a regional mandate in many of the sectors in which APRIS II is working.

2.7.3.3 I 7.3.3 Increased quality of outputs of TRA supported regional institutions, incl. support to adjustment in member states

Summary:

- EVALUATION OF EC CO-OPERATION WITH ASEAN states “ASEAN Programme for Regional Integration Support was successful in: contributing to the economic integration of ASEAN in terms of strategy and policy formulation and overall planning, notably its contribution to the Vientiane Action Programme;” Furthermore: “ASEAN coordination mechanisms have improved and ASEAN information dissemination (a key component of coordination) was strengthened as the result of ASEAN Programme for Regional Integration Support”
- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II): “Highly effective support to Dispute Settle Mechanism (DSM) and ACU (ASEAN Compliance Unit) rationalisation of Agreements including ATIGA (ASEAN Trade in Goods Agreement)”
- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II): “The programme has continued to enhance the ASEC’s capacity to support ASEAN technical committees which in turn has meant that timetables and targets for integration as outlined in the ASEAN Economic Community Blueprint can be adhered to.” Furthermore “In most cases it seems highly likely that at the end of the programme these improvements to the business environment and to economic integration facilitation will continue. Because the processes are embedded in permanent structures (either ASEAN coordination bodies or in AMS national institutions) they should be sustainable. Only major reversals in the commitment to the ASEAN vision would undermine the results.”
- ROM report MR-127000.01 for EU-ASEAN Statistical Capacity Building Programme states that “Despite some of the mobilisation and absorption capacity difficulties, the project has made

some progress in three important areas: i) harmonisation and strengthening capacity of collection of statistics for International Merchandise Trade (IMT); ii) development of a rapid information exchange database system and introduction of eurotrace for data processing IMT statistics in the National Statistical Offices (NSO); and iii) institution building, including progress in developing a strategy for a regional statistical system which can strengthen the Secretariat's ability to co-ordinate and be pro-active in the statistical field."

Evaluation of EC co-operation with ASEAN June 2009

p. 30 (16):

Findings:

ASEAN Programme for Regional Integration Support was successful in:

- contributing to the economic integration of ASEAN in terms of strategy and policy formulation and overall planning, notably its contribution to the Vientiane Action Programme;

p. 31 (17):

Findings:

ASEAN coordination mechanisms have improved and ASEAN information dissemination (a key component of coordination) was strengthened as the result of APRIS.

ASEAN Programme for Regional Integration Support II (APRIS II)

Mid-term Review September 2008

p. 25 (16)

Highly effective support to Dispute Settle Mechanism (DSM) and ACU (ASEAN Compliance Unit) rationalisation of Agreements including ATIGA (ASEAN Trade in Goods Agreement)

p. 31 (22)

The programme has continued to enhance the ASEC's capacity to support ASEAN technical committees which in turn has meant that timetables and targets for integration as outlined in the AECB can be adhered to.

EU-ASEAN Statistical Capacity Building Programme

ROM report MR-127000.01

p. 2

Despite some of the mobilisation and absorption capacity difficulties, the project has made some progress in three important areas: i) harmonisation and strengthening capacity of collection of statistics for International Merchandise Trade (IMT); ii) development of a rapid information exchange database system and introduction of eurotrace for data processing IMT statistics in the National Statistical Offices; and iii) institution building, including progress in developing a strategy for a regional statistical system which can strengthen the Secretariat's ability to co-ordinate and be pro-active in the statistical field.

2.7.3.4 I 7.3.4 Existence of operational monitoring mechanisms for implementation and impact measurement (from e.g. ex- and importers) of regional agreements

Summary:

- Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II) states that “The project’s results have only partially been integrated into an overall monitoring of the process of economic integration. With respect to programme impact a suitable performance information system has not yet been put in place to measure impact of APRIS II on ASEAN economic integration priorities.”
Furthermore “The project’s results are partly integrated into an overall monitoring of the process of economic integration”

ASEAN Programme for Regional Integration Support II (APRIS II)

Mid-term Review September 2008

p. 11 (2)

The project’s results have only partially been integrated into an overall monitoring of the process of economic integration. With respect to programme impact a suitable performance information system has not yet been put in place to measure impact of APRIS II on ASEAN economic integration priorities.

p. 25 (16)

The project’s results are partly integrated into an overall monitoring of the process of economic integration

2.8 EQ 8 - To what extent has the Commission’s TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government

2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country’s assets and investors’ requirements

Summary: <ul style="list-style-type: none">• Mid-term review of ASEAN Programme for Regional Integration Support II (APRIS II): “Comp. 3: (Investment) Very limited activity. Investment Promotion Agency (IPA) benchmarking was successful in selected countries”
ASEAN Programme for Regional Integration Support II (APRIS II)
Mid-term Review September 2008
p. 26 (16)
Comp. 3: (Investment) Very limited activity. Investment Promotion Agency(IPA) benchmarking was successful in selected countries

2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns

2.8.2.3 I 8.2.5 - Availability of quality investors' information/guides

2.8.3 JC 8.3 Improved access to trade finance

2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed

2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

2.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors

2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors

2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).

2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

2.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

Summary:

- The Evaluation of EC co-operation with ASEAN states that “To say that the EC programme was explicitly designed and targeted so as to achieve the reduction of gaps would be interpreting the evidence rather generously. However, by complementing bilateral assistance and promoting economic growth through regional integration, the ASEAN-level programmes contribute to poverty reduction.” Furthermore “ASEAN-level activities do not seem to specifically target the needs of the less competitive sectors in the CMLV [Cambodia, Myanmar, Laos, Vietnam, the poor ASEAN members] countries, which are those placed at greatest disadvantage under conditions of economic opening. Programming documents do not establish explicit links between EC support at the ASEAN level and poverty reduction.”
- The Evaluation of EC co-operation with ASEAN states “Furthermore, positive and/or negative impacts of economic integration on poverty reduction are not expressly addressed by EC strategic documents (the CSP 2002-2006 and 2007-2013 hint at this aspect, however). However, the ASEAN-regional programme is designed to be complementary to bilateral assistance, which is closely tied to poverty reduction, and aims is to support ASEAN integration, which should reduce poverty by accelerating economic growth across the region.”
- ROM report MR-127000.01 for EU-ASEAN Statistical Capacity Building Programme states that the programme has not explicitly factored in cross-cutting issues (however, they also do not seem to be relevant)

Evaluation of EC co-operation with ASEAN June 2009

p. 8 (v):

While contributing indirectly to poverty reduction through promoting regional integration and by complementing bilateral programmes, the EC's ASEAN-level programme has had little direct impact on poverty or on closing gaps within the region. Yet, the indirect effects have been significant and the programme has met EC strategic goals.

p. 36 (22)

To say that the EC programme was explicitly designed and targeted so as to achieve the reduction of gaps would be interpreting the evidence rather generously. However, by complementing bilateral assistance and promoting economic growth through regional integration, the ASEAN-level programmes contribute to poverty reduction.

p. 37 (23)

ASEAN-level activities do not seem to specifically target the needs of the less competitive sectors in the CMLV countries, which are those placed at greatest disadvantage under conditions of economic opening. Programming documents do not establish explicit links between EC support at the ASEAN level and poverty reduction.

... Furthermore, positive and/or negative impacts of economic integration on poverty reduction are not expressly addressed by EC strategic documents (the CSP 2002-2006 and 2007-2013 hint at this aspect, however). However, the ASEAN-regional programme is designed to be complementary to bilateral assistance, which is closely tied to poverty reduction, and aims is to support ASEAN integration, which should reduce poverty by accelerating economic growth across the region.

EU-ASEAN Statistical Capacity Building Programme

ROM report MR-127000.01

p. 3

Cross cutting issues for the most part have not been explicitly factored into the project except for donor co-ordination where 'setting up a donor co-ordination mechanism' is one of the outputs of the intervention

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

Summary:

- The Evaluation of EC co-operation with ASEAN states that “ASEAN-level activities do not seem to specifically target the needs of the less competitive sectors in the CMLV [Cambodia, Myanmar, Laos, Vietnam, the poor ASEAN members] countries, which are those placed at greatest disadvantage under conditions of economic opening. Programming documents do not establish explicit links between EC support at the ASEAN level and poverty reduction.”

Evaluation of EC co-operation with ASEAN June 2009

p. 37 (23)

ASEAN-level activities do not seem to specifically target the needs of the less competitive sectors in the CMLV countries, which are those placed at greatest disadvantage under conditions of economic opening. Programming documents do not establish explicit links between EC support at the ASEAN level and poverty reduction.

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

Summary:

- The Evaluation of EC co-operation with ASEAN states “EC regional programmes with a specific focus on integration discuss poverty as part of the respective context/background sections but explicit indicators related to poverty are do not usually find their way into monitoring.”

Evaluation of EC co-operation with ASEAN June 2009

p. 37 (23):

Findings:

EC regional programmes with a specific focus on integration discuss poverty as part of the respective context/background sections but explicit indicators related to poverty are do not usually find their way into monitoring.

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

2.9.3 JC 9.3 - TRA supported enforcement of ILO standards

2.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

2.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

2.10 Further important findings/text extractions, not attributable to one specific indicator

<p>Summary:</p> <ul style="list-style-type: none"> • The Evaluation of EC co-operation with ASEAN states difficulties with availability of data; • The Evaluation of EC co-operation with ASEAN states that “Experience in other Evaluation of EC co-operation with ASEAN s (e.g. China) has underscored the near-impossibility of ascribing causality to EC interventions in trade relations. Trade is driven by global economic forces and by national economic imperatives. Multiple agents – bilateral agencies, WTO, international financial institutions, private firms, national policy makers, and NGOs. – pursue their separate policy agenda. Isolating a single impact that can be assigned to a single actor is impossible.” • Mid-term review of ASEAN Programme for Regional Integration Support (APRIS) II states that there have been design limitations • ROM report MR-127000.01 for EU-ASEAN Statistical Capacity Building Programme states that there are weaknesses in the scale, scope and logic of the design
<p>Evaluation of EC co-operation with ASEAN June 2009</p>
<p>p. 29 (15)</p> <p>Although, in assessing each of the Judgment Criteria, we noted difficulties in ascribing impacts to the EC and the EC alone; an overall consideration of the evidence suggests that EC support made a contribution.</p>
<p>p. 31 (17):</p> <p>Findings:</p> <p><i>We are unable to answer “to what extent” the good state of EU-ASEAN trade and investment relations is attributable to the EC-ASEAN cooperation programme. However, interviews across the spectrum of actors suggest that it played some encouraging role.</i></p>
<p>p. 31 (17)</p> <p>Experience in other Evaluation of EC co-operation with ASEAN s (e.g. China) has underscored the near-impossibility of ascribing causality to EC interventions in trade relations. Trade is driven by global economic forces and by national economic imperatives. Multiple agents – bilateral agencies, WTO, international financial institutions, private firms, national policy makers, and NGOs. – pursue their separate policy agenda. Isolating a single impact that can be assigned to a single actor is impossible</p>
<p>p. 43 (29)</p> <p>Experience in Evaluation of EC co-operation with ASEAN s (e.g. China, Malaysia, Lao PDR, Thailand, Vietnam) has underscored the near-impossibility of ascribing causality to EC interventions in trade relations. However, there is some evidence that regional projects have paved the way for better EU market access of Southeast Asian companies or generally improved bilateral trade and investment relations.</p>
<p>ASEAN Programme for Regional Integration Support II (APRIS II)</p>
<p>Mid-term Review September 2008</p>
<p>p. 20 (11)</p> <p>Efficiency – Key findings</p>

- Design limitations – inconsistencies in logframes
- ...

EU-ASEAN Statistical Capacity Building Programme

ROM report MR-127000.01

p. 2

However, there

are weaknesses in the scale, scope and logic of the design. There are 3 Project Purposes, 7 Result areas, 4 Component Activities, 11 target bodies and the project team introduced another perspective of seven statistical fields in the inception report. The result is a complex 3 dimensional matrix from which to view the project with overlapping result areas, and some result areas, such as the introduction of a rapid exchange information database system, better placed as an output rather than an outcome. The OVIs are not specific and measurable which will create monitoring challenges later. In terms of scale, this six million euro programme translates into 4200 man days of TA over three years. Much of this TA is targeted to ASEAN stats which has 5 professional staff. Besides being ambitious and possibly unrealistic in scope and scale, the design is cumbersome and difficult to communicate to stakeholders. Against a backdrop of limited absorption capacities, this programme may exacerbate capacity constraints and undermine aid effectiveness.

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>	<i>TAP</i>	<i>Evaluations</i>	<i>ROM</i>
ASEAN Programme for Regional Integration Support II	Financing Agreement; Technical and Administrative Provision;	Mid-term Review September 2008	
EU-ASEAN Statistical Capacity Building Programme	Financing Agreement; Technical and Administrative Provision;		ROM report MR-127000.01; ROM report MR-127000.02
EU-ASEAN Project on the Protection of Intellectual Property Rights III	Financing Agreement; Technical and Administrative Provision;		

3.1.2 Further Documentation regarding Commission's support

Evaluation of EC co-operation with ASEAN – Final Report June 2009

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Country Fiche

BANGLADESH

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1 Introduction

Bangladesh was a major recipient of EC support in terms of TRA. Over the evaluation period (2004-2010) the contracted funds amounted to 55.792.254 €. The major share of these funds was implemented through a project approach (approx. 40 million €), while the budget support modality has not at all been used in the EC TRA to Bangladesh.

Fisheries and readymade garments (RMG) account for more than 80% of export earnings and are thus the focal sectors to support poverty reduction in Bangladesh. The EU is a major market for both sectors (exports in 2010-2011: fishery products: 624 million USD; textiles and garments: 6538 million €) and the industries employ approximately 4-4.5 million workers. EC support is therefore strongly oriented towards these sectors.

The five major TRA programmes implemented in Bangladesh reflect this orientation and tackle different issues related to improvements of the framework conditions of the export industries. The “EU-Bangladesh Small Project Facility (SPF)” aims at promoting civil society dialogue and facilitating interactions in the areas of export diversification, trade related matters and economic co-operation between the EU and Bangladesh. The “Bangladesh Trade Support Programme (Post Cancun) (BTSP)” has as its purpose to strengthen human resources and institutional capacity of relevant Government Agencies and private sector parties in order to introduce trade reforms and remove technical barriers to trade. Improvements of the quality management systems and increased awareness of international quality standards and export potentials are in the focus of the “Bangladesh Quality Support Programme (BQSP)”. Another aspect is taken up by the “Trade Policy Support Programme (TPSP)” which aims at the development of a coherent trade policy through capacity building of key trade-related institutions. After termination of the BQSP, the programme was followed by the “Better Work and Standards Programme (BEST)” whose purpose is to improve competitiveness and facilitate export growth and diversification through increased productivity and compliance of the production base with international norms and practices.

Bangladesh is signatory to the APTA, BIMSTEC and SAFTA agreements and member of the WTO and SAARC. Despite the global financial crisis and a politically challenging environment in Bangladesh, the economy is continuously growing at around five to six percent. However, export growth is decreasing while the dependency from textile and garment exports persists. It is expected that the revised rules of origin under the GSP-Plus will have a positive effect on Bangladeshi textile and garment exports. Despite the implementation of a Special Economic Zones Act, the level of FDI remains low, especially due to persisting shortages in energy supply.

1.1 Country Overview

	2004	2005	2006	2007	2008	2009	2010
Exports Volume Index	130.4	144.4	183.4	190.4	222.3	213.3	264.6
Imports Volume Index	117.6	125.3	135.8	140.9	144.9	145.0	162.2
GDP per Capita in current US \$	408	429	435	475	547	608	675
Exports in % of GDP	15	17	19	20	20	19	18
Imports in % of GDP	21	23	25	27	29	27	25
FDI net inflows in current US \$	448,905,401	813,321,972	697,206,284	652,818,719	1,009,623,164	713,383,103	916,907,186

Rankings of the Global Competitiveness Report of the World Economic Forum (WEF)

Bangladesh	2004	2005	2006	2007	2008	2009	2010
Rank	102	110	99	107	111	106	107
total number of countries	104	117	125	131	134	133	139

WTO membership:	Yes, since 1.1.1995
------------------------	---------------------

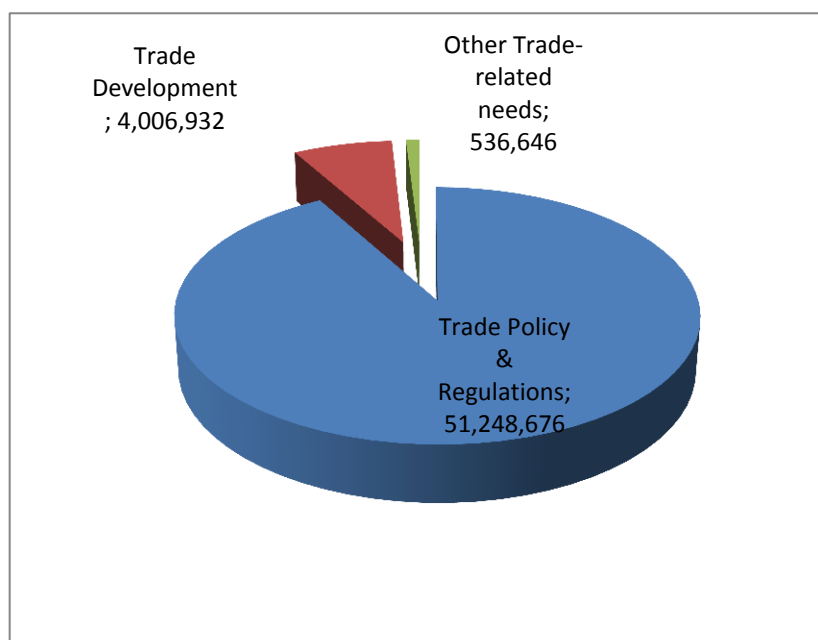
1.2 Commission's TRA to Bangladesh between 2004 and 2010

1.2.1 Contribution per sector, modality and channel

1.2.1.1 Breakdown per Category

Row Labels	Trade Policy & Regulations	Trade Development	Other Trade-related needs	Grand Total
2004	10.419		147.926	158.345
2005	13.973.401			13.973.401
2006	16.889.829	1.955.101	168.362	19.013.292
2007	248.768	187.930	35.112	471.810
2008	1.488.986	1.863.901		3.352.887
2009	24.456		185.246	209.702
2010	18.612.817			18.612.817
Grand Total	51.248.676	4.006.932	536.646	55.792.254

Total volume of contracted amount 2004-2010 per category



1.2.1.2 Breakdown per Modality

Year	Project Approach	Sector Policy Support Programmes	Grand Total
2004	158,345		158,345
2005	13,973,401		13,973,401
2006	3,213,292	15,800,000	19,013,292
2007	471,810		471,810
2008	3,352,887		3,352,887
2009	209,702		209,702
2010	18,612,817		18,612,817
Grand Total	39,992,254	15,800,000	55,792,254

1.2.1.3 Disbursement Rate

Row Labels	Amount contracted in €	Amount paid in €
2004	158,345	158,345
2005	13,973,401	11,249,554
2006	19,013,292	10,764,785
2007	471,810	469,125
2008	3,352,887	1,531,155
2009	209,702	189,541
2010	18,612,817	3,641,003
Grand Total	55,792,254	28,003,508

Disbursement per Category

TRA Category	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	51,248,676	24,865,493
Trade Development	4,006,932	2,612,614
Other Trade-related needs	536,646	525,401
Grand Total	55,792,254	28,003,508

Disbursement per Modality

Aid modality	Amount contracted in €	Amount paid in €
Project Approach	39,992,254	20,103,507
Support to Sector Programmes	15,800,000	7,900,000
Grand Total	55,792,254	28,003,508

Disbursement per channel

Channel	Amount contracted in €	Amount paid in €
Development Agency	38,744,540	20,423,237
Private Company	12,554,409	4,675,160
Government	2,983,694	1,427,668
NGO/Association/Chamber/Foundation	1,362,545	1,330,376
Research Institution/University	147,066	147,066
Grand Total	55,792,254	28,003,508

1.2.2 Important TRA interventions in Bangladesh

Table 23 Overview of Commission's most relevant TRA interventions in Bangladesh

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Decision starting year</i>	<i>Committed amount for the intervention</i>
EU- Bangladesh Small project Facility	ASIE/2003/005-641	2003	1,499,250
Bangladesh Trade Support Programme (Post Cancun)	ASIE/2003/005-823	2003	6,086,131
Bangladesh Quality Support Programme	ASIE/2004/016-809	2004	9,559,540
Trade Policy Support Programme	DCI- ASIE/2008/019-619	2008	3,798,096
Better Work and Standards Programme	DCI- ASIE/2008/019-620	2008	14,625,000

Source: CRIS database, Particip GmbH analysis

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

Summary:

- The Monitoring Report for the Small Project Facility states: "The facility is in line with GoB economic policy".
- The TAP of the BTSP clearly related the programme to the priorities set in the CSP as well as the common objectives of the LDC trade ministers to diversify the production and export base and support institution and capacity building. The MTR confirms this and emphasises that especially the support to the setup of the BFTI has been requested to the EC by GoB. Component 1 is therefore the EC's reaction to this request and thus fully in line with GoB priorities.
- Also the BQSP is consistent with the LDC trade ministers' decision and priorities (TAP). The MTE states that the programme is in line with the PRSP where export diversification and increasing the value added (e.g. in the textile and RMG sector) are key elements. In addition, the country lacks a quality control policy and control measure. Thus, Component 1 and 2 clearly match the Government's priorities.
- Two components of the TPSP are direct responses to GoB's request for support. Component 1 (Support of the MoC) has been formulated in consultation with the Ministry itself (TAP). However, TRA-programmes lack a common ground since there exists no specific trade policy in Bangladesh (Action Fiche).
- Also the BEST is consistent with the LDC trade ministers' decision and priorities (TAP). As a follow-up programme to the BQSP, its relevance rises from the importance of the fisheries and RMG sector (over 80% of export earnings) and GoB's target to halve poverty by 2015 (MR).

EU- Bangladesh Small project Facility - ASIE/2003/005-641

Monitoring Report – October 2007

p. 1

Relevance & quality of design

The facility is in line with GoB economic policy and the EC National Indicative Programme 2003-2006.

Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823

TAP – May 2003

p. 3

The Bangladesh Country Strategy Paper (CSP) includes the subject of enhancing trade /capacity, economic development and regional economic co-operation. Under this theme, the delivery of Trade Related Technical Assistance (TRTA) is one of the EC's primary objectives.

MTR – May 2008

p. 19

Component 1:

Then, the GoB explicitly requested the EC on several occasions to support the setup of the BFTI. The creation of BFTI was regarded by both the GoB and the private sector as the best solution to meeting the long term trade-related capacity building needs for the country on the assumption that it would be legally and operationally independent.

The BFTI was officially established in May 2003 as a public-private partnership (PPP) with the financial assistance of the Bangladesh Export Diversification Program (a joint project of the GoB and the World Bank). The MoC recognised the need for a permanent and sustainable capacity building on trade matters and took the lead in establishing the BFTI. (...)

<p>Thereafter upon request of the MoC, the European Commission agreed to support the institutional capacity building of the BFTI under the Bangladesh Trade Support Programme (BTSP).</p>
<p>p. 4 The objectives pursued under this programme are consistent with the conclusions adopted during the LDC Trade Ministers meeting of Dhaka, 31 May- 2 June 2003, that called for "a substantial increase in the technical and financial assistance to LDCs for the development, strengthening and diversification of their production and export base, as well as for institution and capacity building".</p>
<p>Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809</p>
<p>TAP – August 2005</p>
<p>p. 4 The objectives pursued under this programme are consistent with the conclusions adopted during the LDC Trade Ministers meeting of Dhaka, 31 May- 2 June 2003, that called for "a substantial increase in the technical and financial assistance to LDCs for the development, strengthening and diversification of their production and export base, as well as for institution and capacity building".</p>
<p>MTE – March 2008</p>
<p>p. 13 The BQSP is in line with GoB development policy set out in its Poverty Reduction Strategy Paper (PRSP). Export diversification both in terms of an expanded range of products and increased value added across all product sectors is a key objective of this strategy. It identifies five priority sectors. These are:</p> <ul style="list-style-type: none"> ▪ Software and ICT products, ▪ Agro-products and agro-processed goods including fishery products, ▪ Light engineering products, ▪ Leather goods, and ▪ High-value ready-made garments <p>The GoB also recognised that the “Bangladesh lacks a national quality policy and institutional arrangements to provide assistance for and monitoring of quality control measures. The Bangladesh Standards and Testing Institution (BSTI) needs to be strengthened with adequate infrastructure and technical facilities and enforcement capacity for it to play a useful role in this regard”. Clearly, Component 1 and Component 2 of the BQSP are designed to assist the GoB meet these objectives.</p>
<p>p. 41 The programme directly addresses a main priority of the national policies reflected in the PRSP. By contributing to competitiveness and innovativeness of the textile and RMG sector, the program allows for leveraging the end of MFA, and for progressive changes in export structure through diversification and value addition.</p>
<p>Trade Policy Support Programme – DCI-ASIE/2008/019-619</p>
<p>TAP – September 2009</p>
<p>p. 7 The programme components targeting the BFTI and the Export Promotion Bureau (EPB) are direct responses to requests from the GOB and both have been well received in their present forms. The component relating to the MoC has been formulated in consultation with the Ministry and as a result a review of the MoC will be undertaken prior to the actual start of the TPSP.</p>
<p>Action Fiche – n.y.</p>
<p>p. 1 Presently, Bangladesh does not have a coherent trade policy. There is an export policy, an import policy an investment policy and a number of other trade related policies, but they are not complementary to one another and might at times be considered to have opposing effects. The result is that Trade Related Technical Assistance (TRTA) to date targeting the public sector in Bangladesh has been a series of stand-alone initiatives without any coherent policy basis.</p>
<p>Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620</p>
<p>TAP – December 2009</p>
<p>p. 8</p>

The objectives pursued under this programme are consistent with the conclusions adopted during the LDC Trade Ministers meeting of Dhaka, 31 May - 2 June 2003, that called for "a substantial increase in the technical and financial assistance to LDCs for the development, strengthening and diversification of their production and export base, as well as for institution and capacity building".

Monitoring Report – November 2011 (Background Conclusion Sheet)

The BEST programme follows on shortly after the EU supported Bangladesh Quality Support Programme (BQSP) (...). With the target sectors, fisheries and the readymade garment industries accounting for over 80% of export earnings the importance of the programme to the country is substantial. Expanding the Bangladesh (BD) export earnings in the fight against poverty (the Government's (GoB) target is to halve it by 2015) and moving towards the achievement of the Millennium Development Goals is recognised in the EU Country Strategy Paper of 2007-13.

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

Summary:

- Within the BQSP-UNIDO-Component, an internal review was conducted in order to identify "achievements and expected results as well as the gaps and short-comings" (Status Report).

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

Status Report (UNIDO) – November 2008

p. 14

In July 2007 an internal evaluation and review was conducted during a two day retreat for stakeholders. The participants identified achievements and expected results as well as the gaps and short-comings of BQSP.

2.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

2.1.2.2 I 2.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

Summary:

- The MTR of the BTSP anticipates possible changes in the needs of the beneficiaries and recommends that the programme becomes more demand driven.
- The BQSP has adapted the programme implementation according to changes in the assumptions and the BQSP team reacted rapidly to unexpected external demands (e.g. upgrading of testing facilities) (MTE).

Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823

MTR – May 2008

p. 34

The programme should be demand driven to meet the changing needs of the beneficiaries. It would be advisable to have some flexibility and leave some contingency funds for new programme activities at the

request of the beneficiaries during the implementation period.
Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809
MTE – March 2008
p. 37 The BQSP team has efficiently adapted its implementing approaches in response to changes in assumptions. A good example of this adaptation is the way that an alternative partner has been rapidly identified, when a first proposal of LCF was found too costly.
p. 45 The BQSP management team have had to achieve a balance between the long-term strategic objectives, short-term fire fighting to meet EC requirements and availability of resources. The GOB and BQSP management have reacted well to the specific demands for rapid upgrading of testing facilities for veterinary drugs, pesticides and heavy metals in shrimp exported to the EU. Although there was no budget allocation for direct support to laboratories this was considered a practical way forward and demonstrates the application of flexible management.

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

Summary: <ul style="list-style-type: none"> ▪ An additional TRA/IPR-project uses the management and coordination structures of the BTSP (TAP) ▪ According to the TAP, the BEST programme is complementary to the TRTA-portfolio in Bangladesh.
Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823
TAP – May 2003
p. 4 A specific IPR project is presently under appraisal by the Ministry of Industries and the European Commission with the support of external consultants. Such a project will be closely linked to and co-ordinated with this programme making use of the same management and co-ordination structures like the Programme Steering Committee and the Programme Task Force.
Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620
TAP – December 2009
p. 6 The BEST programme complements the rest of the EC TRTA portfolio which supports the development of a comprehensive trade policy, an improved investment climate and stronger SMEs as they serve to enhance the policy framework in which the programme should operate.

2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

Summary: <ul style="list-style-type: none"> ▪ The auditing of the BTSP falls under the responsibility of the Foreign Aided Projects Audit Directorate. However, it remains unclear whether this institution or an external auditor shall audit the programme (TAP).
Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823
TAP – May 2003

p. 23

- (a) A national institution for independent external auditing is in existence. The National Institution for independent external auditing is the division called Foreign Aided Projects Audit Directorate within the Office of the Comptroller & Auditor General. The programme falls under remit of the Institution.
- (b) The Commission shall, in accordance with EC procurement rules, appoint a reputable external auditor/accountant (i.e. international firm member of an internationally recognised auditing body). The auditor/accountant's role shall include:
1. six-monthly audits of the programme account for submission to the European Commission. The costs thereof will be paid as part of the specific allocation under services.
 2. monitoring the segregation of duties between the Authorising Officer and the Accounting Officer.
- (c) The internal accounting department of the Ministry of Commerce will ensure internal control of management operations.

2.1.3.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”

Summary:

- The logframe of the Small Project Facility is deficient in terms of OVI and the specificity of activities etc. It does therefore not serve as a management tool to closely monitor the achievement of results (Monitoring Reports)
- Within the BTSP the logframe does not allow to link results at component level to the project purpose and the indicators are not specific enough. In 2006 the monitor states: ‘The OWP, (...); it is not result oriented and activities are not well defined’. Nonetheless, the Monitoring Report in 2007 states: “Most of the previous recommendations have not been followed; mainly those related (...) the setting up of a result oriented monitoring system”.
- For the BQSP neither a result-oriented monitoring system is in place nor is the team applying a sufficiently close monitoring (MR).
- The TAP of the TPSP refer to the necessity of a monitoring system and the regular ROM-missions.
- Within the BEST-programme, both GIZ and UNIDO apply a results-oriented monitoring in their programme management.

EU- Bangladesh Small project Facility - ASIE/2003/005-641

Monitoring Report – November 2005

p. 1

Relevance & quality of design

The log frame has several weaknesses including imprecise OVIs and insufficient attention to activities meant to enhance overall effectiveness / impact that cut across individual projects. It is not used as a management tool. Results are poorly defined mainly listing the guidelines for actions with insufficient links to their intended purpose or achievements.

p. 2

Recommendations:

Drop MTR and reform into an impact review of the first 7 projects as late as possible in the SPF implementation. This could better inform planning and discussion for SPFII. 2) Directly address the need for baseline data and valid indicators for impact to inform monitoring that begins in 2006. Resources need to be allocated and planning done to incorporate these activities.

Monitoring Report – October 2007

p. 1

Relevance & quality of design

The logframe is limited, particularly in terms of specifying activities to achieve results, and in providing OVIs to measure these. The two result areas of “ad hoc seminars and workshops” and “ad hoc short term small technical inputs” are vague.

Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823

Monitoring Report – December 2005

p. 2

The original Logical Framework Matrix (LFM) and its intervention logic consider most of the principles above but fail to express the strategic link of how results at components' level will contribute to the programme's Project Purpose (PP) and OO. Furthermore, all OVIs evolve around the same concept of improvement and enhancement. They are too general and specify few milestones to mark progress.

Sources of verification are all-purpose, and sometimes irrelevant.

(...) A revised LFM submitted with the Overall Work Plan (OWP) (not approved yet) makes some minor changes but still does not address any of the issues above and makes no reference to the late start up of the BTSP.

Monitoring Report – October 2006

p. 1

The OWP, approved by the first Project Steering Committee (PSC) in August 05 has been approved by the EC DEL in March 06 only; it is not result oriented and activities are not well defined.

p. 2

Impact indicators should be better defined and monitored by the PTF.

p. 2

Take the opportunity of the preparation of the AWP2 to define clear expected results for each component and to revise the logframe, a better definition of expected results is needed, indicators at Purpose level could also been improved to be able to use the logframe as a management tool and to define an appropriate internal monitoring system .

Monitoring Report – May 2007

p. 1

Relevance and quality of design

Most of the previous recommendations have not been followed; mainly those related to the revision/update of the LFM and the setting up of a result oriented monitoring system to have a clear picture of the situation and to generate a common vision (ownership) amongst all project stakeholders.

p. 2

Impact to date:

The potential impact of this intervention will depend on the effective transfer of benefits to the private sector (studies effectively used, legislation enacted, capacity building translated into concrete benefits to exporters / importers...). Due to the partial achievement of the PP, the impact of this intervention will be less than originally foreseen in the FA. It must be stressed, once again, that the LFM does not allow for proper monitoring / measuring the project's achievement at PP and overall objective (OO) levels.

p. 2

Recommendations

Through a participatory exercise (i.e. with all project stakeholders) update/improve LFM: OVIs: now that activities are more defined, how results will be translated into PP, etc. Set up a result oriented monitoring system involving all components. Improve and present Operations Manual to CDs for consensual approval and use.

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

MTE – March 2008

p. 24

The programme team does not ensure sufficient monitoring of its results particularly in relation to capacity building where no base lines been set and the delivery does not form part of a cohesive operational plan.

p. 42

Fisheries: The BQSP logical framework is so poorly written. It cannot be used to measure progress towards achieving the objectives of the BQSP. The OVI's provided in the table of indicators of success are better defined but are still not quantifiable or time- bound.

p. 43

Fisheries: Recommendation: The BQSP should develop a simple M&E plan to ensure that the impact of the intervention can be measured.

Trade Policy Support Programme – DCI-ASIE/2008/019-619

TAP – September 2009

p. 17

Day-to-day technical and financial monitoring will be a continuous process as part of the Beneficiary responsibilities. To this aim, the Beneficiary shall establish a permanent internal, technical and financial, monitoring system to the project, which will be used to elaborate the progress reports. Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out external monitoring ROM system, which in principle will start from the sixth month of project activities, and will be finalised at the latest 6 months before the end of the operational implementation phase.

Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620

Monitoring Report – November 2011

p. 2

GIZ has in place a result chain and monitoring indicators.

p. 2

Both UNIDO and GIZ use the LFM as management tools coupled to activity schedules and the GIZ Key results/outputs matrix for the Knitwear and Garments Manufacturers and Exporters Associations, (BKMEA and BGMEA).

2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

<p>Summary:</p> <ul style="list-style-type: none"> ▪ The four beneficiaries (Ministries / BFTI) of the BTSP do not consider themselves as the implementing partners but take the project as a source of support to their work (MRs) ▪ The EUD in Bangladesh elaborates in its 2008 EAMR on the possibility of providing support through budget support. It seems that the EUD and the EU Member States were at that point in time hesitant to switch to the budget support modality due to intransparent PFM in Bangladesh.
Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823
Monitoring Report - October 2006
<p>p. 2</p> <p>The project involves one Institute and three ministries, clearly defined by the FA as Implementing Agencies, but to date the component directors, obviously interested by the project, consider themselves as beneficiaries and do not really see their implementing role. A better definition of the management system and an increased ownership would be necessary to improve project efficiency.</p>
Monitoring Report - May 2007
<p>p.1</p> <p>The four direct beneficiaries do not see themselves as co-implementers (as stated in the FA). They perceive the project as a mere source of short term consultancy or as a provider of financial support (e.g. for equipment) instead as a facilitator to identify needs to fill the gaps through well focused training, advise, research and studies.</p>
EAMR
EAMR - 2008
<p>p. 5</p> <p>The Delegation observes that an increasing share of ODA to Bangladesh is provided in the form of budget aid, which at this point is solely provided by the International Finance Institutions. Other partners, including the EC and EU member States, shy away for the time being from this aid modalities for reasons of fiduciary risk and weak PFM capacity in the country. However, due to the fiscal impact of recent economic shocks and ecological disasters some would argue that the need for budget support is increasing; in the context of ongoing sector programmes, experts have repeatedly suggested that moving from pool fund arrangements to budget aid might improve the efficiency of the donor support. The effectiveness and efficiency of using budget aid as well as the currently considered expanded collaboration with non-state actors hinge on better and more transparent public (finance) management.</p>

2.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

Summary:

- The application of the decentralised ex-ante system encourages local ownership and provides the necessary capacity building measures to familiarise the beneficiaries with EC requirements and procedures.

Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823

MTR – May 2008

p. 33-34

The GoB and the beneficiaries need to build their capacities before they can handle the responsibilities under the EC decentralized system in an effective and efficient manner. The EC applies the decentralized ex-ante system on the implementation of the BTSP in Bangladesh. Under the decentralized ex-ante system, the decisions concerning the procurement and award of contracts are taken by the Contracting Authority and referred for approval to the European Commission. The purpose of the decentralized management system is to encourage the local ownership of the recipients. However, the national capacity was required to manage the decentralized process. Some training programmes may be provided by the ECD to familiarize the beneficiaries with EC procurement requirements and tendering procedures.

2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

Summary:

- The MTE of the BQSP states that through the UNIDO and ITC contribution the sustainability of the BQSP results is supported.

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

MTE – March 2008

p. 15

The primary design is laid out in the Finance Agreement (FA) between the EC and the GoB. This design is further developed in the EC UNIDO Contribution Agreement and in the EC ITC Contribution Agreement. Taken together the design supports the sustainability of the BQSP results.

2.3 EQ 3 - To what extent has the Commission's TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

2.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

Summary:

- For the Advisory Committee of the Small Project Facility, “locally based personalities” will be nominated by the civil society and the private sector and selected by the Head of Delegation. (TAP). During the implementation, civil society organisations (NGOs, research, business associations) are working in partnership with the beneficiaries (MR).
- The PPP-structure within Component 1 of the BTSP was not suitable since public and private sector showed low interest in sharing information and knowledge (MTR). Within Component 3 the participation of business associations could have been better developed (MTR). Also in the Project Steering Committee the private sector is represented, e.g. through trade chambers. The 2007 Monitoring Report states that the effectiveness of the programme depends inter alia on the coordination between various actors, incl. the private sector.
- For the BQSP a PSC is set up that includes representatives from the private sector (TAP). Coordination also takes place within the different components, led by the respective line ministries and including mainly private sector organisations. However, for a sub-component focused on consumer policy the Consumers Association of Bangladesh, a Non-Government Organisation (NGO) is the partner. Also during the design phase the various business associations have been strongly involved in priority setting etc. (MTR).
- Within the TPSP the CSOs and the private sector only have the right to observe and speak (TAP).
- The BEST programme shows strong signs of a functioning public-private cooperation. Private sector organisations are strongly involved in activities such as vocational training and policy formulation (TAP). The MR proves that the cooperation both in project design and implementation is notable.

EU- Bangladesh Small project Facility - ASIE/2003/005-641

TAP – May 2003

p. 7

The EC Delegation will establish and chair an Advisory Committee to consider general matters and take stock of programme results. The EC Delegation will also act as the secretariat of the Advisory Committee. The Advisory Committee will have six-monthly meetings. The Advisory Committee will include participants from the EC Delegation, representatives from the Ministry of Commerce and NGO affairs bureau and locally- based personalities to be appointed by the Head of Delegation. To this effect the Head of Delegation will consult civil society and private sector organizations so that they will nominate possible candidates for the final choice of the Head of Delegation.

Monitoring Report – October 2007

p.2

Effectiveness to date:

Within the sample, civil society organisations, (2 NGOs, 1 research and 1 educational institution and a business association) were working in close partnership and interaction with largely active and enthusiastic beneficiaries (shellfish producers, vegetable farmers, unemployed people, and business associations).

Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823

MTR – May 2008

p. 19

Component 1:

Although the public-private partnership is an interesting idea, the public and private sectors in

<p>Bangladesh do not engage with one another on a regularly basis. They are not used to sharing their knowledge and information and they have strong diverging interests. This situation makes this PPP status difficult to manage and can be seen as an obstacle to the BTSP implementation.</p>
<p>p. 28 Component 3: The participation of business associations in the antidumping investigations and dissemination/visibility could have been further developed under the Component.</p>
<p>Ninth Four-Monthly Progress Report (ITC) – June 2008</p>
<p>p. 12 The Seventh Programme Steering Committee (PSC) meeting of BTSP (...) was attended by all the members of the PSC, the PTF, Component Directors of BTSP, officials from ERD, Planning Ministry, representatives from ECD, Trade chambers etc.</p>
<p>Monitoring Report – May 2007</p>
<p>p. 2 The effectiveness of the project results will depend on the following issues: 1) the (right) profile of both EU and local consultants, 2) the degree of coordination / collaboration between the main actors: consultants, PTF, CD and departments' staff, private sector representatives,</p>
<p>Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809</p>
<p>TAP – August 2005</p>
<p>p. 7 The Commission will establish a Programme Steering Committee (PSC) with responsibility for policy guidance and coordination among all institutions and groups involved in the programme. The PSC will be chaired by a Commission official and membership will include representatives of the Ministry of Industries, Ministry of Textiles, Ministry of Livestock and Fisheries, Ministry of Commerce, Bangladesh National Accreditation Board, Bangladesh Standards Institute (BSTI), Export Promotion Bureau (EPB) as well as other stakeholders and representatives of the business sector.</p>
<p>p. 4 Each of the activities under Component 1 and Component 2 will be co-ordinated with the corresponding Line Ministries and private sector organisations.</p>
<p>MTE – March 2008</p>
<p>p. 10 Both components of the BQSP are led by and partnered with local institutions. Component 1 is led by the Ministry of Industry (MoI) and partnered with the Bangladesh Standards and Testing Institution (BSTI), the Bangladesh Institute for Fashion and Technology (BIFT), and the National Institute for Textile Technology Research and Development (NITTRAD) under the authority of the Ministry of Commerce and the Bangladesh Textile Mills Association (BTMA) under the Ministry of Textiles and Jute (MTJ). A sub-component focused on consumer policy is partnered with the Consumers Association of Bangladesh, a Non-Government Organisation (NGO).</p>
<p>p. 31*32 The design of the textile and RMG sub-component has adequately identified the stakeholders, but has performed neither a gender analysis nor a vulnerable group analysis. The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) are not formally considered beneficiaries of the program. BKMEA has had no direct benefits from it so far, except two representatives joining in the study tour to Germany. Quote: "We have been completely left aside by this programme, because at the time of its preparation our association was in its infancy" Mr Fazlul Hoque, president, BKMEA.</p>
<p>p. 32 The other stakeholders Bangladesh Textile Mills Association (BTMA), BGMEA, and NITTRAD have been adequately associated to the program's design. Most of their proposals and aspirations have been taken in account and the proposed activities aims correctly at addressing their needs. The mission has found that local stakeholders have a strong ownership of this component.</p>
<p>p. 36 BIFT: All the intended beneficiaries have actively participated in the implementation, as reflected in the minutes of steering committee and sub-committee. Interviews with the beneficiaries reveal a high level of satisfaction in this respect, both in the Government and in the sub-sectors' associations.</p>

Trade Policy Support Programme – DCI-ASIE/2008/019-619
TAP – September 2009
<p>p. 12</p> <p>A Programme Steering Committee will be set-up to oversee and validate the overall direction and policy of the programme. The programme steering committee shall meet at project commencement, after the bi-annual reporting periods and after delivery of the final report. The project team leader will act as secretary to the steering committee.</p> <p>The programmes Steering Committee shall be made up of: 1. A representative of the Government of Bangladesh, Economic Relations Division, the contracting authority; 2. A representative of the Ministry of Commerce, the supervisor. 3. A representative of the Head of Delegation as with observer status 4. Stakeholders in their role as sub implementing agencies 5. Representatives of other relevant government stakeholders 6. Other stakeholders including civil society organisations, the private sector, academics, and donor representatives may be invited as observers with the right to speak.</p>
Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620
TAP – December 2009
<p>p. 11</p> <p>In addition it will be necessary to involve private sector organisations in the testing as well as vocational training activities.</p>
<p>p. 12</p> <p>The programme will support increased involvement of the private sector and consumers in standard setting while support will be also be given to improved capacity of Ministries and private sector associations in setting policies in the textile and garment sectors.</p>
Monitoring Report – November 2011
<p>All stakeholders confirm that they were involved in the project design process and a strength of the programme is the close relationship between the public and private sectors in the fisheries and T&C industries. The close working relationships designed in the programme between both is notable. To an extent these relationships were forged in the previous BQSP project and there is a clear understanding of the objectives and purpose of the project amongst the stakeholders.</p> <p>The strong relationship between the private and public sectors has encouraged BEST to work closely with both. International and local staff work closely together both in the GIZ and UNIDO inputs. All sectors have been closely involved in planning and executing the programme. Work will continue after the programme ends.</p>

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

Summary:
<ul style="list-style-type: none"> ▪ The EAMR 2007 states: “coordination among EU MS and EC Delegation has improved thanks to organisation of more regular meetings and initiative in view of a joint strategy”. ▪ In 2008 EU Member States and the EUD were exploring possibilities for better DoL (EAMR).
EAMR
2007
<p>p. 2</p> <p>On the contrary coordination among EU MS and EC Delegation has improved thanks to organisation of more regular meetings and initiative in view of a joint strategy (for all donors in Bangladesh).</p>
2008
<p>p. 4</p> <p>Whereas Work towards a Joint Cooperation Strategy, planned for 2010 is progressing, work on Division</p>

of Labour, to which EC and EU MSS have committed themselves by signing up to the EU Code of Conduct for Complementarity and Division of Labour will now need to be intensified in order to produce tangible results. EU partners have begun to informally explore possibilities for better DoL in the health and education sectors

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Summary:

- In the TAP of the Small Projects Facility regular meetings with other donors and information exchange were planned in order to avoid overlapping.
- To avoid overlap between the BTSP and other donors' activities and to share lessons learnt, regular meetings were initiated (TAP).
- UNIDO shows that the organisation is maintaining communication and sharing information not only with EUD but also with other donors (Status Report).
- The ITC will enhance information exchange and better prioritisation through meetings with the development partners (Progress Report)
- The TPSP builds on the donors' Local Consultive Group (LCG) where the EC is in the lead for trade-related issues. The LGC is meant to identify complementarities with other donors' activities (TAP).
- Same applies for the BEST-programme that builds on information sharing with other donors in the LGC (TAP). The MR proves that this coordination and information sharing is currently working (MR).

EU- Bangladesh Small project Facility - ASIE/2003/005-641

TAP – May 2003

p. 11

In order to preserve the necessary coherence between the activities of the present programme and those activities undertaken by other donors in the sector, regular meetings will take place with all interested parties to ensure an open exchange of information, to avoid overlapping of activities and/or financing and to incorporate the lessons learnt by these other actors into the work of the programme. The EC Delegation in Bangladesh will make regular presentation in the Private Sector Development LCG subgroup, which meets about every three months in Dhaka.

Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823

TAP – May 2003

p. 22

In order to preserve the necessary coherence between the activities of the present programme and those activities undertaken by other donors in the sector, regular meetings will take place with all interested parties to ensure an open exchange of information, to avoid overlapping of activities and/or financing and to incorporate the lessons learnt by these other actors into the work of the programme.

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

Status Report –November 2008

p. 4

Communication is maintained with other donors and projects to share experiences and lessons learned and in order to ensure that activities and approaches should be complementary, including with ADB on

strengthening BSTI, with GTZ on RMG exports, and with USAID on fisheries exports.".
p. 12 The EU Delegation in Bangladesh is kept informed through regular briefings, consultations on important issues, and through their support in key meetings with counterparts. (UNIDO)
p. 15 Towards the end of 2007 a series of meetings with the EU Delegation were held to brief them on constraints which would limit the extent to which the objectives of the programme would be achieved if not addressed urgently.
Progress Report – September 2008
p. 18 SSIC will disseminate the implementation plan to all implementation partners, coordinate implementation among all stakeholders concerned, convene periodic meetings of development partners to coordinate and manage the work, identify impediments, prioritise solutions, publicise achievements, monitor implementation performances, evaluate progresses of implementing partners against the progress agreed in the implementation plans and provide regular information to sector stakeholders on the progress and success achieved.
Trade Policy Support Programme – DCI-ASIE/2008/019-619
TAP – September 2009
p. 7 There is broad-based cooperation and information sharing among the like-minded donors, institutionalised with the Local Consultative Group (LCG), which meets regularly. A Private Sector Development mapping was conducted in 2006 for better harmonisation among private sector development and trade activities. Following the mapping study, a gap analysis was carried out by GTZ. Trade policy is primarily covered by the activities of the EC, and direct involvement of other donors in the TPSP is not foreseen. All donors are at this stage informed of the programme and its aims and the activities have been endorsed by the stakeholders in the private sector development group. A continuous close exchange of information between donors is envisaged and the TPSP consultants should actively be part of the exchange so that supporting activities from other donors can be taken into consideration when detailed programming of work is being done. This will lead to complementary effects on both sides and avoids duplication of work.
Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620
TAP – December 2009
p. 6 The donors are coordinating and sharing information through the Local Consultative Group which holds regular meetings. A private sector development mapping was conducted in 2006 for better harmonisation among private sector development and trade activities. Following the mapping study a gap analysis was carried out by GTZ which confirms the need for support in the quality area. The donors are at this stage fully informed of the programme and its aims and activities have been endorsed by the stakeholders in the Private sector development group.
Monitoring Report – November 2011
Donors work through a local consultative group and meet regularly. GIZ has also been active prior to BEST in conducting studies in the sector which as does BEST information is shared with other donors. There is other support for the sectors and attempts to minimize any duplication is handled at the donor meetings.

2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)

Summary:

- The TAP of the BQSP consider a PSC with representatives from the concerned ministries as well as the implementing partners (UNIDO & ITC) as well as other institutions as a suitable means to manage the programme implementation. However, the MTE states that no other donor is active in

<p>the fields of intervention and that the Steering Committee's work was not successful to date (MTE).</p> <ul style="list-style-type: none"> ▪ The BEST-programme established a steering committee that is composed of both government representatives and the implementing development partners (UNIDO & GIZ). ▪ The EAMRs show clearly that donor-government coordination is comparatively well developed in Bangladesh and only suffers from minor problems in donor coordination. The development of a Joint Cooperation Strategy is the result of the coordination between donors and the government. The EC takes a leadership role in the further development of this coordination mechanism. As a result, in 2010 two highly visible milestone events took place: The Bangladesh Development Forum (BDF) in and the signature of the Joint Cooperation Strategy in June 2010 by GoB and 18 development partners working together in the Local Consultative Group.
Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809
TAP – August 2005
<p>p. 7</p> <p>The Commission will establish a Programme Steering Committee (PSC) with responsibility for policy guidance and coordination among all institutions and groups involved in the programme. The PSC will meet at least twice a year and will assist the Commission in reviewing programme implementation and providing policy guidelines. The PSC will also assist in facilitating overall implementation of programme activities. The appropriate structure and sub-structure of the PSC will be developed and agreed upon at the planning of the programme during the inception phase. If necessary, adequate sub-structures may be established for each of the programme activities.</p> <p>The PSC will be chaired by a Commission official and membership will include representatives of the Ministry of Industries, Ministry of Textiles, Ministry of Livestock and Fisheries, Ministry of Commerce, Bangladesh National Accreditation Board, Bangladesh Standards Institute (BSTI), Export Promotion Bureau (EPB) as well as other stakeholders and representatives of the business sector. Other donors, including the United Nations (UN) agencies involved in implementation (ITC and UNIDO) will be invited to the PSC meetings as observers with the right to speak.</p>
MTE – March 2008
<p>p. 29</p> <p>BSTI: The EC strategy is embedded in the PRSP of the GoB. No other donors were identified operating in the sector.</p> <p>Consumer affairs: As far as the evaluation team can discern, no other donors are working in the area of consumer affairs. A number of NGOs have supported this issue in the past including Oxfam UK and ActionAid. One option for future support to the sector might be through these bodies.</p>
<p>p. 58</p> <p>Component 2 ITC: At the level of inter-component coordination, the use of a Steering Committee to provide this function has not been very effective to date. The proposed sectoral committees may be a solution to this problem, but the Evaluation Team are concerned that sufficient overall GoB institutional buying from all the key Ministries to this strategy has yet to be demonstrated.</p>
Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620
TAP – December 2009
<p>p. 14</p> <p>A steering committee shall be set up to oversee and validate the overall direction and policy of the programme and coordination among all institutions and groups involved in the programme. PSC will also assist in facilitating overall implementation of programme activities. The project steering committee shall meet twice a year.</p> <p>The project steering committee shall be made up of: representatives of the beneficiary country responsible for the overall programme. representatives of the Ministry of Industries, Ministry of Textiles and Jute, Ministry of Livestock and Fisheries, Ministry of Commerce, Ministry of Science, Information and Communication Technology, Bangladesh Accreditation Board, Bangladesh Standards and Testing Institute (BSTI), Ministry of Agriculture, the Ministry of Labour and Employment, Ministry of Food and Disaster Management, the Directorate of Drug Administration under the Ministry of Health and Family Welfare, and the Bangladesh Council of Scientific and Industrial Research, as well as other stakeholders and representatives of the business sectors. a representative of the EC Delegation will be member of</p>

the Steering Committee. representatives of other donors including the United Nations (UN) agency, UNIDO and GTZ involved in implementation will be invited to the PSC meetings as observers with the right to speak.

The project steering committee's deliberation/opinion will be based in the consensus.

Representatives of supervisory or control bodies with a regular statutory involvement in the project may also sit on the project steering committee. The appropriate structure and sub-structure of the PSC will be developed and agreed upon at the beginning of the programme during the inception phase and reported upon in the inception report.

EAMR

2006

p. 2

Donors and GoB-Donors co-ordination is highly developed in Bangladesh and numerous actions are under way for fulfilling the commitments made

2007

p. 2

The coordination among donors and with the Government has suffered from the absence of clear leadership within the coordination group (LCG) as WB, appointed, does not play its role as it should

2008

p. 1

Good progress was achieved in terms of donor coordination during the year, culminating in a series of all-donor joint policy notes with key messages to the incoming Government. The Delegation managed to make the Commission's voices heard and taken into account in this process. Whereas Work towards a Joint Cooperation Strategy, planned for 2010 is progressing, work on Division of Labour will now need to be intensified in order to produce tangible

p. 6

In the interaction with other donors and the Government, the discussions focus on improving harmonisation and the effectiveness of aid. The Local Consultative Group provides the forum for discussing the various issues and for aligning donor efforts with the Government's Poverty Reduction Strategy. The link to the sector specific debates, the experiences and results in the sector specific LCG subgroups is not always effective.

The current move towards developing a Joint Cooperation Strategy is the result of a close collaboration between donors and GoB, who in August signed a Joint Statement about their intention to come to a Joint Cooperation Strategy in 2010. Closer coordination between donors was evident in the run-up and just after the elections, when donors agreed on a set of joint policy notes with key-messages for the incoming Government.

Progress on Division of labour between donors will mainly depend on commitment of EU partners, other donors not being actively interested in the subject.

2009

p. 4

Contribute in a very positive and highly visible way to a wide range of current joint GoB-DP efforts to drive the Aid Effectiveness agenda forward in Bangladesh, taking on a leadership role on the difficult issue of Division of Labour and on joint EU actions on development-related issues

p. 9

The preparation of a Joint Cooperation Strategy (JCS) has been more challenging and time-consuming than expected, but at the end of a year a draft JCS had been reviewed by donor partners and government for the first time since the outline and work-plan had been agreed in May/June 2009. Final signature is expected to take place mid-2010. The Delegation participated actively in the drafting process, militating inter alia for visibly aligning the JCS Action Plan with the pillars of the internationally agreed Aid Effectiveness Agenda. A major success has been the consultative review of the sectoral subgroups, which led to an agreement of a new proposed structure for sector groups to be more aligned with the poverty reduction strategy and under stronger leadership of government.

p. 12
Resistance by some large DPs to Division of Labour, in spite of commitments in Paris and Accra undertaken by virtually all OECD donors, may in the absence of any real leadership on the issue by GoB, lead to heated debates over 2010 and quite possibly meagre results as
2010
p.7
Joint Aid Effectiveness efforts of development partners and government resulted in two highly visibly milestone events: The Bangladesh Development Forum (BDF) in February 2010 allowed for a first high-level review of development priorities of the country – notably it was the first such review after nearly five years. The second milestone event was the signature of the Joint Cooperation Strategy in June 2010 by GoB and 18 development partners working together in the Local Consultative Group.
The Delegation succeeded in increasing its profile by taking leading roles in the strategically important LCG working groups PSD/TRTA and Health. EU has been nominated as the donor facilitator of the Enhanced Integrated Framework. The Head of Cooperation of the EUD will take on a seat in the ExComm (the 7 member management committee representing the LCG DPs in relations with government) as of July 2010. A first draft concept was developed by the EUD on how to continue work on division of labour among EU+ partners. A number of joint messages were sent upon the initiative of the EUD on development related issues, such as the proposed changes to Anti-Corruption Commission Act or a proposal by the EUD and other partners for a changed approach for development of the extremely poor Cox Bazaar region.

2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries

Summary:
<ul style="list-style-type: none"> ▪ The BQSP was implemented through contribution agreements with UNIDO and ITC. The EC ensures monitoring, evaluation and audit of the programme (TAP). The cooperation lead to some problems related to the financial amangement. However, the implementation through UNIDO is rated efficient.
Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809
TAP – August 2005
p. 7
The Commission will sign contribution agreements (under the EC-UN framework agreement) with UNIDO (Component 1) and ITC (Component 2). UNIDO and ITC will respectively nominate a Chief Technical Advisor with the responsibility for the co-ordination of all activities of their respective components.
p. 8
(a) The Commission will, in particular, undertake the following tasks: 1. Ensures that the activities are executed in accordance with the contribution agreements signed between the Commission and the UN agencies involved (UNIDO and ITC envisaged); 2. Retains the responsibility for the monitoring, evaluation and audit of the programme; 3. Conducts, where appropriate, visibility activities for the programme.
(b) Among the UN agencies involved, UNIDO will be responsible for the co-ordination of activities. The exact role and responsibility of each agency will be determined by their individual contractual arrangements ("contribution agreements").
MTE – March 2008
p. vi
The programme encountered issues related to inadequate arrangements for financial management and control (e.g. no external audit or 'Verification Mission') and failure to adequately address these problems during the inception period. This is partly a result of the modalities of United Nations – European Commission cooperation (e.g. the FA).
p. ix

Despite some short-comings identified during the mission, the ET believes that the management and administration modality of using UNIDO to implement Component 1 has been relatively efficient and cost effective under difficult operating conditions. Continuation of this method of implementation for the proposed follow-up programme would have the considerable advantage of locking-in hard won lessons and not starting afresh.

2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

Summary:

- The TAP of the TPSP states that the number of donors active in the field of trade is limited and that ECs activities regarding the regulatory aspects of the EPB are unique.

Trade Policy Support Programme – DCI-ASIE/2008/019-619

TAP – September 2009

p. 7

There are not too many active donors in the field of trade policy. One exception could have been the World Bank which intended to develop a trade capacity building project for the MoC. However, the programme never got started and according to the Bank, this is not likely to happen. UNDP's Preparatory Assistance for Promoting Pro-Poor Trade is involved in building government capacity to negotiate and analyze trade and investment agreements; the full programme, which has not yet started, will primarily target the Ministry of Law as well as the Foreign Ministry. The World Bank, GTZ and BICF have all worked with the EPB; however their focus has been on the promotional role of the EPB, only the EC is working with the regulatory aspects of the EPB. CIDA is working with the Centre for Policy Dialogue (CPD), a leading think-tank in trade related matters, to develop trade analytical capacity in the country. As role of MoC vis a vis private sector is mentioned somewhere above, would be useful perhaps to include points on programmes through other donors to support private sector - and how this programme could complement those?

2.4 EQ 4 - To what extent has the Commission's support contributed to an improved trade policy environment at national level?

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

2.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

<p>Summary:</p> <ul style="list-style-type: none"> ▪ The MTR of the BTSP states that “The participation of business associations in the antidumping investigations could have been further developed.” ▪ In the context of the BQSP the export sector strategy and the respective implementation plans or action plans for horticulture and the Agro processed foods sector have been commented and validated e.g. by NGOs, exporters and enterprises.
<p>Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823</p>
<p>MTR – May 2008</p>
<p>p. 2</p> <p>Component 3:</p> <p>The participation of business associations in the antidumping investigations could have been further developed.</p>
<p>Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809</p>
<p>Progress Report – September 2008</p>
<p>p. 9</p> <p>The export sector strategy and action plan for the horticulture sector have been completed. Before finalisation, the documents have been commented on and validated by the local sector support team, several other development agencies, SPS inspection services, NGO's, exporters and enterprises involved in contract farming activities.</p>
<p>p. 14</p> <p>The export sector strategy and implementation plan for the Agro processed foods sector is completed. Similar to the horticulture sector, the strategy has been reviewed and commented on by the local sector support team, and several other large agencies and enterprises involved in contract farming activities.</p>

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

<p>Summary:</p> <ul style="list-style-type: none"> ▪ BTSP: Studies written by external experts do not help the staff of the MoC to build their own capacity. It is recommended that the MoC staff is actively participating in the studies (MTR). The MTR identifies mainly a lack of analytical capacity, knowledge and skills for undertaking fundamental trade reforms and suggests activities such as computer training. ▪ Within the BQSP the ITC finds that “There is often a mismatch between the level and the sophistication of the technical assistance planned and available and the capacity and resources of the counterpart organisation.” ▪ The TAP of the TPSP give a detailed analysis of the various aspects that hamper the MoC-staff to
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deal efficiently with the trade policy formulation and implementation, trade negotiations, trade coordination / consultation, and trade-related information dissemination.
Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823
MTR – May 2008
p. 2 Component 2: The MoC is currently lacking the analytical capacity and knowledge and skills for undertaking fundamental trade system reforms. A long-term vision and coherent trade policy, strategy and coordination are missing.
p. 2 Component 3: Ten activities were foreseen, consisting of studies, training (including overseas training), and study tours. They had been modified at a later stage in the programme to cope better with the needs of the BTC (reduction of study tours, increase of studies and training). Nine of the ten activities are seen as relevant. The exception (activity 10) concerns the training on a computable general equilibrium model, which is not particularly relevant for diagnosing trade remedies.
p. 26 Component 2: Since the commissioned studies are primarily conducted by the EU and those national experts outside of the Ministry of Commerce, it is difficult to build the institutional analytical capacity on trade issues. As a result, the institutional capacity building through those studies is not maximized although the focal points are playing some roles in the process. If the MoC officials are directly taking part in the commissioned studies, the impact on the institutional capacity building on MoC would be much greater.
Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809
Status Report – November 2008
p. 16 There is often a mismatch between the level and the sophistication of the technical assistance planned and available and the capacity and resources of the counterpart or- ganisation.
Trade Policy Support Programme – DCI-ASIE/2008/019-619
TAP – September 2009
p. 6 The overall objective of the TPSP is the development of an integrated and effective national trade policy. Among other things, a functional trade policy will facilitate the identification of essential trade capacity-building needs. Under the current BTSP, the MoC has received capacity building in the form of eight trade specific studies, each covering an area of particular interest to Bangladesh. Notwithstanding the impact of these studies, this individual topic approach has done little' to encourage or facilitate the development o f a coherent trade policy. Therefore, the TPSP will take a more holistic approach towards the development of a coherent trade policy, starting by a review ofthe Ministry of Commerce.
p. 8 As the paramount institution responsible for trade matters in the country, the MoC needs to enhance it's capacity to deal efficiently with the trade policy formulation and implementation, trade negotiations, trade coordination / consultation, and trade-related information dissemination. In particular, the institutional and human resource capacities are inadequate to deal with the complexities of the WTO, regional and bilateral trade negotiations and the increased demands ofthe business community and civil society for trade-related information. Due to its relative small size and the staff rotation system of the GoB, it is difficult for the MoC to maintain adequate and qualified staff to carry out the work required. The existing structure of the Ministry can hardly provide the required services to the business community and citizens and cannot sufficiently cope with the changing trading environment.
p. 9

The strategic review study is expected to provide precise guidance on the gaps and needs for trade-related capacity building for MoC in the near future. However, it is already obvious that MoC officials are not well equipped to carry out many of the demanded services. It is important to provide training and capacity building programmes to strengthen their skills and negotiating capacities on the multi-disciplinary and rather complicated trade issues.

p. 9-10

The MoC is responsible for disseminating trade-related information to the business community and general public. The business community also needs to know the trade and investment barriers of other countries. Other in-line ministries and agencies require trade-related information in order to formulate adequate trade and other policies. Even the MoC internal information system does not flow smoothly. For example, the MoC website carries very limited information and is updated irregularly. Presently the MoC still relies on the traditional way to communicate trade-related information. In the modern IT era, this situation could be improved to address the needs of the business community timely and to improve the efficiency of the MoC operation.

p. 10

Policy advocacy is a priority role of research institutes in charge of supporting governmental policy making. Active policy advocacy is essential to ensure that outputs are taken up throughout the policy recommendation process. BFTI's policy advocacy capacities have to be strengthened. The role of BFTI implies that BFTI trade research results have to be relevant to MoC's policy making activities.

The BFTI will fill the needs for many different services requested by stakeholders, most importantly the BFTI will provide the MoC and other ministries with information, data and advise in the area of trade, from trade policy research and analysis, formulation of strategies, position papers, impact assessments, etc., negotiations in trade agreements up to questions of implementation of the outcome from negotiations. Similarly the private sector will use the BFTI to supply them with inputs and suggestions in trade policy making and in safeguarding its interest. These inputs can take the form of research, training and consultancy if needed. In the medium run a trade-oriented think-tank function must be reached attracting and cooperating with top rank researchers, trade experts and politicians. Part of the think-tank activities should also be oriented towards the task of policy advocacy.

Conclusively the component will focus on building in-house capacity in terms of trade policy research and advocacy, training and consultancy activities. It is also foreseen to continue cooperation with other institutions through twinning as it has been done under the current BTSP. The training activities will focus on trade policy and WTO matters on a general level as well as on specialised and customized training within these fields. Train the trainer's programmes will be initiated in order to build in-house capacity.

p. 11

However, the export development and promotion tasks performed by the EPB are comparatively weak when looking at other countries. The same is valid for the regulatory functions of the EBP, which are the primary focus of the TPSP. The TPSP will focus on improving and automating the implementation of the GSP system and Rules of Origin (RoO) certifications.

2.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

2.4.2.4 I 4.2.4 Changes of ‘customer’ satisfaction related to the output produced by trade-related public institutions

2.4.3 JC 4.3 – Trade negotiation capacity has been enhanced

2.4.3.1 I 4.3.1 – Quality of training and other specific EC support activities to enhance negotiations

2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations

Summary:

- The MTR of the BTSP states the following: “The MoC trade negotiation teams should be more actively being engaged in conducting regional and bilateral free trade negotiations (...)”

Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823

MTR – May 2008

p. 2

The MoC trade negotiation teams should be more actively being engaged in conducting regional and bilateral free trade negotiations with other countries.

2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

2.5 EQ 5 – To what extent has the Commission’s TRA to trade facilitation contributed to reducing trade-related transaction costs?

2.5.1 JC 5.1 – EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

2.5.1.1 I 5.1.1 – Diagnostic studies, gap analysis, policy plans produced

Summary: <ul style="list-style-type: none">▪ In the course of the BTSP eight studies from a broad range of trade-related issues have been produced and afterwards analysed by the MoC and other ministries (MTR).
Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823
MTR – May 2008
p. 2 Component 2: Positive signs of impact may be expected in particular from the eight studies on different policy matters. Four out of eight studies have been completed and the MoC and other in-line ministries will seek to take practical actions after the studies have been finalised. A good example is the follow-up actions on the study on the movement of natural persons.
p. 23-24 Component 2: The following are the topics of the commissioned studies under this Component: <ul style="list-style-type: none">▪ Feasibility Study on the Potentials of a Bilateral FTA with SAARC Region (India and Paki- stan)▪ Study on the Services Sector of Bangladesh▪ Study to Identify the Required Preparatory Steps for Developing Traceability Systems in the Fruit and Vegetable Sectors in Bangladesh▪ Impact Assessment Study of the EU-GSP and the Rules of Origin▪ Study on the Movement of Natural Persons▪ Study of Potential to the High Added Value Markets▪ Study on Extension of Additional Protection under Geographical Indication to the Products other than Wine and Spirits▪ Study on Action Plan on Compliance of Environmental Regulations in the Textiles Industry

2.5.1.2 I 5.1.2 – Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

2.5.2 JC 5.2 – Operational environment for trade at national or regional level improved, including modernised customs systems

- 2.5.2.1 I 5.2.1 – Design of customs reforms and upgrading based on modern principles (RKC etc.)
- 2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)
- 2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

2.6 EQ 6 – To what extent has the Commission’s TRA contributed to third countries’ participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 – Strengthened SPS / TBT policy, legislation and regulation

2.6.1.1 I 6.1.1 – Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

<p>Summary:</p> <ul style="list-style-type: none"> ▪ The development of quality infrastructure in the context of the BQSP was based on a large number of studies, assessments, analyses and action plans. These included evaluations of the existing equipment and status of the respective institution, review of the legal framework, upgrading and development plans, HRD needs assessment, gap analysis, assistance to remodel and refurbish laboratory premises, survey on standards and norms (Status Report). Furthermore, a roadmap for the country’s compliance with WTO regulations was drafted and a HRNA conducted (Progress Report/MTE). ▪ The TAP of the BEST-programme analyse in detail the various reasons why quality control and infrastructure are insufficient, that creative capacity and the technical and marketing skills of many textile and garment companies are limited, that the supply chain lacks capacity to implement internal systems of control and companies have difficulties with the performance compliance and social compliance.
<p>Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809</p>
<p>Status Report – November 2008</p>
<p>p. 2</p> <p>CI conducted an international benchmarking and prepared a development plan for CAB, but the necessary resources for expanding CAB were not available.</p>
<p>p. 11</p> <p>NITTRAD</p> <p>Evaluation of existing equipment, recommendations on disposal of redundant equipment and the purchase of new items has been completed.</p>
<p>p. 20</p> <p>An initial review of the relevant legal framework was completed in 2007 with a recommendation for detailed analysis of particular pieces of legislation. In general, legislation was found to be appropriate although too prescriptive and therefore not systematically applied. Reform and restructuring of quality and compliance related institutions is necessary to make them more effective; to enhance their credibility; to introduce the necessary level of autonomy; and to enable them to fully benefit from the technical assistance provided by BQSP and by other donors and technical agencies. Recommendations have been made to the relevant authorities on the reform of BSTI, on a revision and upgrading of the legal, institutional and financial status of the Bangladesh Accreditation Board (BAB), on fisheries inspection and quality control, and on consumers’ rights legislation and the status of the consumers’ association. MOI and BSTI have accepted the need for institutional reform in order to implement and enforce existing laws and regulations. More detailed planning and consultation on reform of BSTI will be carried out during the final year of BQSP, and implementation of proposed institutional reforms is a key element of the planned BEST programme.</p>
<p>p. 20</p> <p>Detailed plans have been prepared in consultation with BSTI staff to upgrade different areas of BSTI operations. Good progress has been made in updating manuals and procedural documentation. Increased knowledge and understanding on the part of standards, certification, TBT Enquiry Point, and information services personnel has resulted from the extensive programme of training.</p>

p. 25
The HRD needs assessment survey completed in 2006 identified a serious shortage of skilled workers, technicians and managers in the textiles industries, insufficient training places to meet the need, and an almost total lack of courses that addressed the real needs of the modern textile sector.
p. 29
A national survey identified all available facilities in Bangladesh for testing for antibiotics, heavy metals and pesticides.
p. 29-30
A gap analysis was followed by practical assistance to remodel and refurbish laboratory premises, to prepare the necessary documentation, and to develop management and quality assurance systems. These three laboratories together with the two new DOF laboratories, five other laboratories and the new metrology laboratories will be the first Bangladesh owned laboratories to apply for accreditation.
p. 30
Surveys on the current state of the Quality Assurance Programme (QAP), and the Hazard Analysis and Critical Control Points (HACCP) systems and practice were done, development plans prepared, and re-training given to DOF and private sector person- nel.
Progress Report – September 2008
p. 5
The review was conducted during the period July to September 2006. As a result of this assessment, a roadmap for Bangladesh on how to fulfil its obligations and obtain benefits from the WTO Agreement on SPS was designed. A report on the national legislation on SPS, the SPS infrastructure and its capability to control imports and to facilitate exports was prepared and distributed in May 20073.
MTE – March 2008
p. 33
BIFT: The human resources needs assessment (HRNA) has shown a large and growing gap, both in qualitative and quantitative terms, between the industry needs and the capacities of the textile training institution as a whole. The global post MFA context may lead to a revision of the global training needs, estimated at 120,000 qualified textile specialists, but there is currently a 5:1 ratio between the output of training institutions and the projected needs of the industry.
Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620
TAP – December 2009
p. 4-5
A key challenge facing Bangladesh is a lack of national capacity to overcome technical barriers to trade (TBT) and to comply with the requirements of WTO agreements on TBT and SPS, which are now basic prerequisites for market access embedded in the global trading system. Further development of conformity assessment infrastructure for standards, quality, accreditation, metrology, testing, calibration, inspection and training is needed to meet international standards. The Ministry of Industries (MOI) is responsible for the overall framework of quality in Bangladesh. The Ministry is also the driving force in developing national metrology, standards and calibration services that are in line with international norms. The main institutions to implement the needed services are the Bangladesh Standard and Testing Institute (BSTI) and Bangladesh Accreditation Board (BAB) along with a new regulatory body to enforce compliance with mandatory standards to be set-up within MOI.
p. 11
Although a significant proportion of the export processors generally meet international requirements, the supply chain lacks capacity to implement internal systems of control in relation to good aquaculture practices, traceability, hygiene practices and control of veterinary medicines etc. Bangladesh Frozen Food Exporters Association invested heavily in the recent past for inspection capacity building.
p. 11
Market access issues are becoming increasingly complex and diverse. The main challenges faced by the textile and RMG industry of Bangladesh relates to performance compliance and social compliance. Given

the share of the Textile and Clothing (T&C) sector in the national economy, the specific objective directly supports the programme purpose in two result areas.

2.6.1.2 I 6.1.2 – The private sector, in particular exporters’ associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

Summary:

- For the needs identification and for preparing the specifications, UNIDO closely consulted with different stakeholders and cooperating organisations. In addition, UNIDO founded the “Advisory Services for Textiles and Apparels of Bangladesh” (ASTAB) in close cooperation with various stakeholders. It aims at consulting textile and RMG businesses on quality issues (Status Report). The programme is also trying to encourage the private sector to create a Packaging Institute and private laboratories (MR).

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

Status Report – November 2008

p. 11

UNIDO was responsible, in consultation with stakeholders, for identifying needs, preparing the specifications in consultation with the cooperating organisations, and for procuring the new equipment as well as for preparing specifications and plans and advising on the construction of the specialised laboratory premises which GOB has built and the upgraded classrooms and studios of NITTRAD and BIFT.

p. 26

The consultancy unit was launched in 2008, after consultations with the three main industry associations and a joint committee formed to oversee its activities. In consultation with stakeholders, it was renamed “Advisory Services for Textiles and Apparels of Bangladesh” (ASTAB), to better reflect its objectives and scope. It will provide consultancy services to individual textile and RMG businesses to improve their productivity, quality and competitiveness.

Monitoring Report – October 2008

p. 2

The programme is working on promoting and supporting certain private sector aims like the creation of the Packaging Institute or private testing Laboratories.

2.6.1.3 I 6.1.3 – Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

Summary:

- The Status Report of the BQSP states: “In 2006 the Bangladesh Accreditation Board Act was passed, an institutional development plan agreed, and a temporary secretariat set up with support from BQSP, MOI and BSTI.”

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

Status Report – November 2008

p. 23

In 2006 the Bangladesh Accreditation Board Act was passed, an institutional development plan agreed, and a temporary secretariat set up with support from BQSP, MOI and BSTI.

2.6.1.4 I 6.1.4 – Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

Summary:
<ul style="list-style-type: none"> ▪ The BQSP contributed to various activities that helped to systematise the information on regulations, standards, norms, etc. This encompasses an update of the FIQC library, a Export Quality Management reference guide, and a TBT Enquiry Point.
Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809
Status Report – November 2008
p. 30 The FIQC library has been greatly improved with up-to-date international standards, directives and methodologies.
Progress Report – September 2008
p. 4 Export Quality Management (EQM) reference guide was completed by the Dhaka Chamber of Commerce and Industry (DCCI) and launched in February 2007
MTE – March 2008
p. 5 The BQSP has provided technical assistance to develop an effective TBT Enquiry Point at BSTI. A comprehensive Road Map for Developing TBT Enquiry Point has been prepared and agreed by BSTI senior management and the GoB. This includes a plan for developing IT based standardization, printing, and library standards dissemination system. The BQSP will continue to support the establishment of effective operational procedures for the TBT Enquiry Point.

2.6.1.5 I 6.1.5 – Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

Summary:
<ul style="list-style-type: none"> ▪ The BTSP aims at adopting WTO guidelines within the country's shipping policy but the GoB needs to ratify such an agreement and seem to be hesitant to do so (MTR) ▪ Under the BQSP, the GoB has introduced different measures to approach international harmonised standards. The seafood sector is better regulated, specific drugs are banned, an ISO-based QMS system is implemented etc. (Status Report, Progress Report, MTE)
Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823
MTR – May 2008
p. 32 Component 4: (...) The definition of a new shipping policy according to WTO guidelines, the study on improving the multi- model transport system and their subsequent implications in terms of regulations and action plan are still to be achieved in the remaining months. They are of paramount importance of the consistency of the overall BTSP. (...) As mentioned above, a significant impact on the development of foreign trade of Bangladesh may have a chance to be attained when, and only when, the definition of new policies in shipping and multimodal transport services is not only drafted, but also ratified by the officials and the GoB. It is useless to draft amendments without having an approved framework. A proposed framework of policies regarding shipping and multimodal transport (including a road map and an action plan) must be submitted as a priority to the officials, failing to do so may turn into the waste of a considerable amount of work which has already been done.

Status Report – November 2008

p. 2

Regulation of the seafood exports industry has been strengthened.

p. 20

GOB has introduced numerous measures to strengthen quality control of seafood export products including banning the use of certain veterinary drugs, separating inspection and testing functions in FIQC, and introducing more stringent regulations for seafood processing plants.

Progress Report – September 2008

p. 5

a roadmap for Bangladesh on how to fulfil its obligations and obtain benefits from the WTO Agreement on SPS was designed.

p. 6

An action plan for implementing the mandatory requirements of the SPS Agreement and to take advantage from the discretionary activities has been developed by the staff of the National Enquiry Point (NEP) and consequently reviewed and refined.

MTE – March 2008

p. 5

The BQSP has provided extensive TA to BSTI to improve its administrative and operations procedures and increase its effectiveness and a national standards body. The Standards & CM Wings have received technical assistance and training in implementing a QMS system to meet the requirements of ISO/IEC Guide 65 “General requirements for bodies operating product certification systems”. Quality and procedural manuals have been developed as part of the process. A draft General Food Hygiene Standards/Checklist has been developed and is waiting to be approved as a standard by BSTI and more than six draft product specific guidance documents to meet Codex standards in the food industry have been developed and waiting to be approval by the CM Wing. The CM has also been supported in developing a National Product Conformity Mark Scheme. Training for the CM Wing has been revamped. Workshops have been conducted for the BSTI Standards and the CM Wing officials for HACCP, GMP, GHP and CM Auditing as per Guide 65 using the draft General Food Hygiene Standards/Checklist. A round the year training plan has also been developed and launched. BQSP will continue to support the CM implement the QMS and it is expected that this Wing will receive accreditation to ISO/IEC Guide 65 before the end of the BQSP

The BQSP has also support the adoption of 104 Codex food safety standards and ISO 22000 ‘Food Safety Management Systems – requirements for organisations throughout the food chain’ and also provided assistance for the harmonisation of a further 110 Bangladesh national standards in the non food sector with international norms and standards. The BQSP has held a series of training workshops for BSTI staff and technical committees in Standards and CM wings to improve their capacity in drafting standards and in the certification of products in line with international best practise. The BQSP will continue to provide assistance in this area.

2.6.2 JC 6.2 – Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 – Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

Summary:

- Under the BQSP a variety of quality infrastructure has been developed or enhanced. The BFTI has been upgraded, the National Metrology Institute was established, equipment delivered to IQC

Laboratories, communication technology enhanced, and a quick response sewing unit established. In addition, the knowledge on quality management measures, testing methods and the use of laboratory equipment had been increased (Status Report). Accreditation has also been enhanced e.g. of the BAB which is accredited to ISO/IEC 17011, and recognised as a full member of ILAC or APLAC and it is a signatory to ILAC MRA's or APLAC MRAs (MTE).

- However, the MTE of the BQSP also states that “although some training in Good Laboratory Practices has been delivered no progress has been made toward laboratory accreditation in the Ministry of Fisheries and Livestock” and in 2007 the EAMR emphasised that “BAB is still operating with provisional funding and staffing arrangements.”
- According the Monitoring Report, the BEST-programme “impacted on the development of the accreditation board (BAB)” and two fisheries labs have been developed.

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

Status Report – November 2008

p. 2

BSTI has been assisted to upgrade its facilities and practices

p. 11

The National Metrology Institute (NMI) was established and the laboratory premises upgraded to meet the stringent environmental standards required for internationally recognised physical metrology laboratories.

p. 11

IQC Laboratories: All equipment has been delivered, checked, and inventoried. Some items have been installed and are being used in existing laboratory premises. The construction of the new laboratories in Khulna and Chittagong began in 2007 and was completed in mid- 2008.

p. 11 – 12

BIFT: Equipment for new and upgraded CAD/CAM studios, and for upgrading library and information services has been installed. Specifications for equipment for the new quick response sewing unit of the Centre for export and Product Development (CEPD) and for upgrading the clothing technology department have been agreed.

p. 12

Improvements to communications and information management in BSTI, CAB and BAB have been supported through procurement and installation of computers and computer peripherals, networks and internet connections.

p. 19

Understanding of the importance of quality management and knowledge of the methods for managing and maintaining quality and of achieving international acceptance has been widely disseminated amongst policy makers, compliance organizations and private enterprises. Better understanding of the concepts of international accreditation and of traceability of measurements amongst public and private sector managers and the scientific community has been encouraged. The consumer protection act was passed. A major programme of updating quality management and inspection manuals, procedures and documentation, and related training in BSTI, in DOF and in shrimp industry is well advanced. Construction of three new laboratories for metrology and FIQC has been completed and installation of equipment begun. Cooperation between NITTRAD and BIFT and two leading European institutes of textile technology and fashion has begun.

p. 29

The comprehensive training programme on chemical and microbiological testing, and laboratory accreditation for Department of Fisheries (DOF) and private sector staff in Khulna, Chittagong and Dhaka has continued throughout the three years of the project to date. Topics included Good Laboratory Practice (GLP), Standard Operating Procedures (SOP), chemistry, micro-biology and accreditation. Training modules for the training of trainers have been developed as well as new laboratory manuals, documents and procedures for laboratory management, quality assurance, testing and field inspections. HACCP manuals of 68 processing plants have been refined and updated and staff trained in their implementation.

p. 29

Staff was trained on the HPLC, PCR and ELISA equipment which has recently been added to FIQC

laboratories.
<p>p. 29</p> <p>DOF's capacity to provide advanced training to the private sector has been enhanced through in-country TOT workshops and short courses and overseas training. Overseas training has included a three month fellowship in Portugal for three FIQC officers to study 'Fisheries Sanitary Standards'; attendance at a course on "EC Legislation on Residue Analysis in Food", in France; participation in "World Seafood Congress 2007" in Dublin; and a study tour to India for DOF engineers to see new laboratory architecture.</p>
<p>p. 29</p> <p>In addition to the establishment of two completely new DOF testing laboratories, three external testing laboratories which are currently used by DOF have been assisted to upgrade in order to attain an internationally recognised accreditation standard.</p>
MTE – March 2008
<p>p. ix</p> <p>BAB is accredited to ISO/IEC 17011, is internationally recognised, is a FULL member of ILAC or APLAC and it is a signatory to ILAC MRA's or APLAC MRAs.</p> <ul style="list-style-type: none"> ▪ An operational programme is in place to assist laboratories, inspection bodies and certification bodies implement the quality management systems to to accreditation for ISO/IEC 17025. ▪ The capacity of BSTI is strengthened in line with international norms with improved operational systems and work practises that meet the requirements of ISO 9001 in all the Wings and the Market Surveillance Inspection programme is based on risk analysis, assessment and management. ▪ QMSs have been implemented in the CM Wing to meet the requirements of ISO/IEC 17020: "general criteria for the operation of various types of bodies performing inspection"; and ISO/IEC 17021 "conformity assessment – requirements for bodies providing audit and certification of management systems". This is in addition to the QMS currently being implemented by the BQSP to meet requirements of ISO/IEC Guide 65 "general requirements for bodies operating product certification systems". ▪ Consumers organisation have the capacity and resources to carry out national MS surveys. The Standards Wing at BSTI can draft technical regulations in line with international norms and guidelines.
<p>p. ix – x</p> <p>Non-compliant products are being detected and diverted to non-EC markets (including national) and a sustainable long-term solution is needed which addresses food safety failures throughout the supply chain. Although some training in Good Laboratory Practices has been delivered no progress has been made toward laboratory accreditation in the Ministry of Fisheries and Livestock. As we have said above, we believe that this is because of a misconception that laboratories need to be accredited when in reality it is specific tests that receive the accreditation.</p>
EAMR 2007
<p>p. 6</p> <p>Upgrading of the metrology laboratory premises were completed in December 2007, new equipment has been delivered and is ready to install.</p>
<p>p. 6</p> <p>BAB is still operating with provisional funding and staffing arrangements.</p>
EAMR 2008
<p>p. 15</p> <p>One major achievement is the traceability system has been replicated by the GoB across the shrimp producing areas. The training on accreditation has gone well and the country has now a few lead assessors ready to do practical work.</p>
Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620
Monitoring Report – November 2011
<p>p. 3</p> <p>Two fisheries labs were developed at Chittagong and Khulna. Following the introduction of the Fish Feed and Animal Law of 2009, there is a proposal to move further support to a national lab at Dhaka.</p>

The calibration of delicate testing machinery has greatly helped the various sectors covered by the metrology staff and BEST has impacted on the development of the accreditation board (BAB).

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

Summary:

- It is expected that the international standards will be adopted by the private sector and that this will lead to increases in exports.
- The MTE of the BQSP states that the application of food safety controls at (fish) farm level is still limited today (MTE).

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

MTE – March 2008

p. 25

As the BQSP is only past its halfway mark towards completion, it is not possible to assess the economic impact. However, it is expected that the activities under 1.6 to promote awareness of the benefits of using international standards will improve the rate of adoption of standards by private sector companies, which will in the longer term, assist in improving productivity and increase the propensity to export.

p. 48

The BQSP has made significant advances towards achieving most of the primary objective of strengthening fish inspection capacity and improved monitoring of production and processing of shrimps for export to the EU, although work still needs to be done on accreditation. However, the success of the BQSP in the application of food safety controls at farm level has been limited to date, and there is no evidence of material improvement in the security of market access and associated impacts of more secure trade on poverty reduction.

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

Summary:

- The leadership of the BSTI as well as the current staff have sufficient capacity to ensure the sustainability of the BSTI. This could only be threatened if funding is not made available by the government. The costs per farmer for the traceability system have not yet been calculated so that the financial sustainability is hard to assess (MTE).
- Private sector participation must be increased in order to ensure the financial viability of the BFTI (EAMR)

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

MTE – March 2008

p. 27

The current leadership in BSTI and BAB has sufficient capacity to ensure the sustainability of intended results i.e., the strengthening of the QMS towards international acceptance and BAB's full membership of the ILAC and relevant MRAs. However, the DG of the BSTI will change prior to the end of the BQSP in line with the GOB civil service policy or rotating senior civil servants. The present staff has sufficient capacity to continue to apply the benefits that will be gained under the BQSP but additional staff is required to fill the current vacancies in the BSTI and BAB. It is our understanding that the GOB will make this funding available and that it will remain available once the BQSP has ended.

p. 50

The DoF and private sector associations have the necessary resources to ensure sustainability of BQSP outcomes, but will need to address the issue of distribution of costs for maintenance of ISO17025 compliant laboratories (see financial sustainability). (...) The cost per farmer of operating the pond level traceability system has not been calculated, and no decision has been reached as to how costs for the

traceability system will be distributed between farmers, depot owners and processing factories.
EAMR 2010
p. 26 A final evaluation has been conducted during the first Semester, the overall performance of the programme is good, nevertheless there is some concern on the sustainability of the programme especially, due to the human resources policy in the public administration, there is also a need to increase the participation of the private sector especially in the component related to BFTI (Bangladesh Foreign Trade Institute). The Summary will be useful material for the new Trade Policy Support Programme.

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

- 2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies
- 2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies
- 2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 JC 6.4 - Cost of compliance reduced

- 2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance
- 2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

2.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

2.7.1 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

2.7.1.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

2.7.1.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

2.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

- 2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government
- 2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

- 2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements
- 2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns
- 2.8.2.3 I 8.2.5 - Availability of quality investors' information/guides

2.8.3 JC 8.3 Improved access to trade finance

- 2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed
- 2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

2.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

- 2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors
- 2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors
- 2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).
- 2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

2.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

Summary:

- In the TAP of the Small Project Facility it is explicitly referred to the fact that the Bangladesh export sector needs to be strengthened for pro-poor growth and employment generation for women.
- The overall objective of the BQSP is employment generation through the attraction of FDI (TAP).
- However, the BQSP-MTE criticizes that the programme did not consider gender-aspects in the programme design although approx. 85% of female workers are at the operational levels of the industry (e.g. textiles and garments industry). The evaluation emphasises "that some effort has been made to engage with women entrepreneurs during the strategic planning phase of the value chain analysis."
- However, the BQSP-MTE also states that the BSTI-Component will have a minor impact on the employment of women especially since their prospects of advancement within the BSTI are limited.
- The study on the movement of natural persons realised within the BTSP considered the employment opportunities of female workers (MTR).
- The TPSP TAP emphasise the increasing importance of the female labour force in the garment sector.
- The BEST-programme specifically targets the employment of women within the BQI-component and aims at contributing to their advancement into higher levels of management (TAP). The Monitoring Report confirms that "females are well represented in the management cadre" of the programme.

EU- Bangladesh Small project Facility - ASIE/2003/005-641

TAP – May 2003

p. 4

To face that challenge and maintain the pro-poor economic growth necessary for Bangladesh to reach the Millennium Development Goals in 2015, Bangladesh export sector must enhance its efficiency, productivity while at the same time there is a need to explore diversification, foster employment in general and offer alternative jobs, especially for women.

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

TAP – August 2005

p. 5

The ultimate beneficiary will be the Bangladeshi society in general through the increase of trade capacity and investment through improved conditions for attracting foreign direct investment which should lead to employment creation and poverty alleviation.

MTE –March 2008

p. 29

BSTI: This component appears to be gender neutral. The BSTI employ 13 women in laboratories and 40 women in total out of a staff complement of 323. Many of these female employees are in entry level positions and have limited prospect of advancement.

p. 37

The issues of gender, environment and poverty have not been directly raised in the program design. The BQSP overarching objective is to contribute to growth and poverty reduction, but gender issues and environmental issues are not dealt with. In a sector that counts up to 85% of female workers at the operational levels of the industry, there would be room for positive action in respect with gender related protection, voicing, and awareness support measures. (...) The program had no embedded specific provision for these issues.

p. 41 The emergence of women workers in the textiles sector may be initiating substantive social change in Bangladesh (see for example Dannecker, P, 2002). Textile factories offer employment opportunities for women workers that were previously unavailable. However, a range of new issues has arisen largely surrounding the difficulties that women have in these new working environments and their inability to rise vertically within the structure of these firms. There are few women middle managers, no women senior management in the sector and no women factory owners.
p. 54 The component has yet to address cross-cutting issues in any meaningful way. The ET notes that some effort has been made to engage with women entrepreneurs during the strategic planning phase of the value chain analysis.
Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823
MTR – May 2008
p. 35 However, it is noted that the study of the movement of natural persons did analyze the increased employment opportunities for women if Bangladesh could export its labours to developed markets.
Trade Policy Support Programme – DCI-ASIE/2008/019-619
TAP – September 2009
p. 4 The HDI, however, does not include gender imbalance. A significant gender disparity persists in both income and human poverty in Bangladesh, especially at the lower end of the income scale. The female labour force in general is estimated at about 37 % (2004, World Bank) of the total labour force of Bangladesh. Part of this increase can be attributed to the growth of the garment sector, which primarily employs women.
Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620
TAP – December 2009
p. 12 Gender, environmental sustainability, good governance and human rights issues will be cross cutting issues addressed throughout the programme. Necessary planning will be made for employing women in relevant institutions and preference will be given to promoting the participation of women in the BQI component. (...) Special focus will be given to training women to support their advancement to higher levels of management in the RMG sector (1.5 million workers of which 1.2 million are women).
Monitoring Report – November 2011
The project has followed a gender neutral policy in the employment of staff and females are well represented in the management cadre. The Bangladesh labour law of 2006 laid down clear instructions on the employment of both male and female labour. Knowledge of the labour laws is not known or understood by the general working public and GIZ has gone a long way to promoting the rights of workers in all industries.

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

Summary:

- In the TAP of the SPF various socio-economic aspects have been considered such as the involvement of women and persons with disabilities, CSR, and labour standards. The SPF-Monitoring Report states that the programme is a good response to the social and economic challenges caused by intensified international competition and that the programme is also taking into account social issues (e.g. gender). However, the MR in 2007 finds that the outreach to female beneficiaries is limited. The EAMR in contrast states that the SPF has had a positive effect on poverty alleviation.
- The MTR of the BTSP finds that linkages with cross-cutting issues were rather weak but some environmental aspects were considered in the study reports. Governance and accountability issues as well as gender equality have also been addressed.
- The BQSP considered the situation of specifically vulnerable groups such as the shrimp fry collector

<p>families (Status Report). During the project appraisal a specific gender impact analysis has been conducted and on that basis the WID component was developed in order to ensure positive benefits for women (MTE). The programme has also commissioned a “study of the role of women in the shrimp industry”, but now “more time is needed before impact on socio-economic conditions in the shrimp sector is realised”. Through greater credibility of laboratories outputs caused by the BQSP the position of the women working in laboratories (40% of total employees) will be strengthened.</p>
<p>EU- Bangladesh Small project Facility - ASIE/2003/005-641</p>
<p>TAP – May 2003</p>
<p>p. 4 In the calls for proposals to be organised by the Delegation in Dhaka, special attention will be given to encourage projects involving women, aiming at mainstreaming people with disabilities into the job market, enhancing corporate social responsibility, including labour standards and fair trade, as well as give due consideration to trade related environmental issues.</p>
<p>Monitoring report – November 2005</p>
<p>p. 1 Relevance: The favourable tariffs ended 2004 creating a very significant economic and social risk as international competition is expected to reduce market share. SPF fits well as a complimentary strategy to the larger EC initiatives within the very substantial trade programme supporting export diversification and economic development in general. SPF offers potentially significant and timely input to launch new or strengthen existing small/medium industry while taking into account the current social issues (particularly women and handicapped) and supporting civil society development.</p>
<p>Monitoring Report – October 2007</p>
<p>p. 2 Impact to date: Despite outreach attempts by three of the five projects visited, more effort is and will be required on involving female beneficiaries.</p>
<p>EAMR 2007</p>
<p>p. 7 The SPF programme has been immensely popular in Bangladesh and many of the projects have reached good results, with a positive effect on poverty alleviation especially when micro and small business have been involved.</p>
<p>Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823</p>
<p>MTR – May 2008</p>
<p>p. 35 Generally speaking, the linkages of BTSP with the cross-cutting issues are weak. For example, Component 2 has some minor linkages with the environment. Under the Component 2, two studies are linked with environment. One is related to the environmental regulations in the textiles and RMG sector and the other is associated with the traceability study of fruits and vegetables in Bangladesh. On the gender equality issue, there is no gender disaggregated data collected under the BTSP. There was no clear attempt to link the programme activities to promote gender equality in Bangladesh. However, it is noted that the study of the movement of natural persons did analyze the increased employment opportunities for women if Bangladesh could export its labours to developed markets. It is noted that BTSP does have some indirect impact on the governance issues such as transparency, accountability, and rule-binding as the beneficiaries better understand EC rules and that they have to comply with the rules and procedures of BTSP.</p>
<p>Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809</p>
<p>Status report – November 2008</p>
<p>p. 31 Of the three client groups the shrimp fry collector families are the most vulnerable. They have few if any other sources of income; the work is highly seasonal and poorly paid; and moreover collecting of fry from the wild is now illegal and largely replaced by supply from commercial hatcheries. A pilot programme to improve the status and prospects of one community has been launched. As families often</p>

cannot afford the incidental expenses associated with sending children to school, emphasis is placed on raising the level of literacy, especially of girls, through local community teachers.
MTE –March 2008
p. 9 Socio-economic Conditions of Target Groups Improved The programme has commissioned a ground breaking study of the role of women in the shrimp industry. The challenge now is to persuade policy makers to incorporate the findings into concrete future actions. More time is needed before impact on socio-economic conditions in the shrimp sector is realised.
p. 26 BSTI: This sub component will have some marginal impact on role of women in Bangladesh. A relatively high percentage women work in professional positions as scientists in the laboratories. For example, 40 percent of the 1500 employees in the Bangladesh Council of Scientific and Industrial Research (BCSIR) laboratories are women and scientists engaged in research work. Accreditation of the 40 laboratories at BCSIR for ISO/IEC 17025 will strengthen the credibility of the output of the laboratories and indirectly of the women employees.
p. 42 The key stakeholders and target groups were fully characterised and a gender impact analysis was conducted during the project appraisal mission in 2004. The BQSP proposal developed during the identification mission was characterised as being likely to have no direct or indirect gender impact as it dealt purely with strengthening laboratory and inspection procedures. The appraisal mission developed a new WID component to ensure positive benefits for women. The WID component has prepared a more detailed analysis of the role of women in production and processing of shrimp for export and recommended areas for intervention.

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

2.9.3 JC 9.3 - TRA supported enforcement of ILO standards

2.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

Summary: <ul style="list-style-type: none"> ▪ The TAP of the BEST-programme emphasise that it will contribute to the application of the Bangladesh Labour Law and to the improved compliance with international labour and social standards. ▪ Especially the Componentn 3 of the BEST-programme addresses labour standards and the Decent Work Agenda in the RMG industry (EAMR).
Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620
TAP – December 2009
p. 12 The programme will work on increased application and enforcement of the revised Bangladesh Labor Law 2006 and social standards in the shrimps/fisheries and RMG sector while special focus will be given to training women to support their advancement to higher levels of management in the RMG sector (1.5 million workers of which 1.2 million are women).
p. 12 The programme strongly addresses consumer and workers' rights. More specifically components 1 and 2 address improved consumer protection through involvement in standard setting and better access to safe food and quality products, component 2 also addresses the issue of equity of treatment, while the third

component will support the implementation and enforcement of the new labour law and improved compliance with international labour and social standards.

EAMR 2007

p. 4

The Attaining International Standards Programme (Now BEST)

The third component is linked to the garment and textile industry as is partly a continuation of the work started by the Quality Support Programme with NITTRAD and BIFT and partly new as it aims to address labour standards and the Decent Work Agenda primarily within the RMG industry.

2.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

2.10 Further important findings/text extractions, not attributable to one specific indicator

<p>Summary:</p> <ul style="list-style-type: none"> Regarding the implementation of the SPF, the Monitoring Report 2007 states that “the majority (approx. 15) of the projects fall within the theme of training and entrepreneurship promotion, some 9 within TRTA, and only 2 and 1 respectively within the themes of media training and technology transfer. Sectoral coverage is focused on the agricultural, fisheries and clothing sectors.”
<p>EU- Bangladesh Small project Facility - ASIE/2003/005-641</p>
<p>Monitoring Report – October 2007</p>
<p>p. 1 Efficiency of implementation to date Twelve projects are thus ongoing, all of which have either received or have applied for 2 to 3 month extensions, with the final date of 30/06/2008 fitting within the period of execution (31/12/2009, as per the FA). Some €2.148 million of the €2.250 million allocation for grant projects has been contracted, and €1.758 million disbursed. The allocation of € 250,000 for ad hoc seminars/workshops and TA has not been utilised. Nor has the € 150,000 contingencies. The majority (approx. 15) of the projects fall within the theme of training and entrepreneurship promotion, some 9 within TRTA, and only 2 and 1 respectively within the themes of media training and technology transfer. Sectoral coverage is focused in the agricultural, fisheries and clothing sectors. This distribution is mirrored in the sample visited: 4 within training and entrepreneurship and 1 within TRTA. Four are being implemented according to plan and schedule, and are achieving the expected results through the planned activities. The quality of technical training materials and methods, in particular, is high. The projects visited all mentioned the short implementation period as a constraint.</p>
<p>Summary:</p> <ul style="list-style-type: none"> In preparation of the BTSP, the Action Fiche mentioned that Bangladesh lacks a coherent trade policy and that “that Trade Related Technical Assistance (TRTA) to date targeting the public sector in Bangladesh has been a series of stand-alone initiatives without any coherent policy basis”. The MTR of the BTSP finds that implementation has been weak due to delays in implementation (4-year programme compressed to one year). However, the prepared studies could bring some benefit (e.g. the idea to negotiate labour exports to potential markets). Some actions such as the tracability system suggested by studies of the BTSP should be implemented under other EC programmes (here BQSP).
<p>Bangladesh Trade Support Programme (Post Cancun)- ASIE/2003/005-823</p>
<p>Action Fiche – n.y.</p>
<p>p. 1 Presently, Bangladesh does not have a coherent trade policy. There is an export policy, an import policy an investment policy and a number of other trade related policies, but they are not complementary to one another and might at times be considered to have opposing effects. The result is that Trade Related Technical Assistance (TRTA) to date targeting the public sector in Bangladesh has been a series of stand-alone initiatives without any coherent policy basis. Consequently there is an agreed need to develop a comprehensive and coordinated national trade policy, to strengthen the position of the MoC and to simplify the coordinating mechanism in trade-related issues, which has as their objective the further integration of Bangladesh into the global marketplace. Trade policy has to be closely coordinated with the wider macroeconomic policy of the government and sector policies addressing all main bottlenecks for dynamic trade development.</p>
<p>MTR – May 2008</p>
<p>p. 1 The overall programme implementation is evaluated as having been very weak. Due to the late start of real activities, the original 4-year programme of the BFTI component is now compressed into about one year. There has also been a lack of progress in bringing together the views of the stakeholders to establish a strategic direction for developing synergies between their respective requirements. Deadlines have been missed. The objective to make BFTI work properly was not attained.</p>

p. 25
Component 2:
For example, the study on the movement of natural persons provided specific proposals to negotiate the labour exports of Bangladesh to potential markets such as UK, Australia, Canada, and New Zealand.

p. 25
Component 2:
The study on the traceability system in the fruit and vegetable sector in Bangladesh provided a specific action plan and road map for consideration but it would be very ambitious and difficult to implement. In addition, since the EU is also financing the Quality Support Programme in Bangladesh, some issues raised in the aforementioned study may be more appropriately addressed under that programme.

Summary:

- The UNIDO-Status Report of the BQSP emphasises that “There is often a mismatch between the level and the sophistication of the technical assistance planned and available and the capacity and resources of the counterpart organisation.” The Monitoring Report adds that the expected results are not fully achievable, especially the improvement of the management system at international standards seems not achievable within the cause of the programme.

Bangladesh Quality Support Programme (Post-MFA)- ASIE/2004/016-809

Status Report – November 2008

p. 16
There is often a mismatch between the level and the sophistication of the technical assistance planned and available and the capacity and resources of the counterpart organisation.

Monitoring Report – October 2007

p. 1
Quality & Relevance of the design
All existing LFMs should improve the OVIs making them more specific and measurable because at present they express activity achievement. The existing formal LFM’s are very clear, logic and relevant. The results are appropriate to achieve the Programme purpose, but this will not be reached totally in the Programme’s framework: it will definitely improve the quality management system of the country, but it will not be totally developed at an international level, because the Programme will only deliver the first step of a medium – long term process.

Summary:

- The BEST-programme contributed to the easing of testing requirements for fisheries products by the EU. However, in general implementation of the programmes lags behind schedule due to delays caused by the administration and authorities.

Better Work and Standards Programme (BEST) - DCI-ASIE/2008/19620

Monitoring Report – November 2011

p. 3
The earlier visit by the EU Food and Veterinary (FVO) mission which suggested several changes and improvements to the fisheries export industry was followed up and on the 17 October 2011, the EU announced that the stringent testing in place for BD produce would be relaxed by the end of 2011 for crustaceans (shrimps). The project can take some credit for this success.

p. 3
Unfortunately Component 1 (BQI) under the auspices of the Ministry of Industry (MOI) has partially stalled and some crucial inputs are seriously delayed. The TPP (government agreement to fund and proceed) is now 20 months overdue. Prominent is the agreement that MoI would take a coordinating role of Ministries in the plan to update the National Quality Legal and Institutional Infrastructure, a pivotal measure to support the export industries. Little appears to have been done.

p. 3
Equally important is the reform of the Bangladesh Standards and Testing Institution (BSTI) where

progress is extremely slow. Under BQI the sub component “addressing consumer’s rights” under the Ministry of Commerce, still has to get off the ground. Both Secretaries (MOI and MOC) when approached on these issues promised action within two weeks. Unofficially, some progress has been made under the BQI component and the Accreditation Board (BAB) is developing well and the metrology inputs are operating satisfactorily. A major blockage is with the Council of Scientific and Industrial Research (BCSIR) laboratory support.

Whilst BEST impacts on the production side through the UNIDO inputs, GIZ has an equally important challenge to see that social norms are properly complied with. Interviews with the producer associations indicated an acceptance that the industry must accept the need for change in many ways. This is clear impact that the GIZ approach is working.

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>	<i>TAP</i>	<i>Eval</i>	<i>ROM</i>	<i>Progress (MTR)</i>
EU- Bangladesh Small project Facility	Financing Agreement, TAP		Monitoring Report - November 2005 (MR-020380.01) & Monitoring Report - October 2007 (MR-020380.02)	
Bangladesh Trade Support Programme (Post Cancun)	Financing Agreement, TAP		Monitoring Report - December 2005 (MR-020383.01), Monitoring Report - October 2006 (MR-020383.02), Monitoring Report – May 2007 (MR-020383.03)	X
Bangladesh Quality Support Programme	Financing Agreement, TAP	Mid-term Evaluation - March 2008	Monitoring Report - October 2007 (MR-020695.01)	X (UNIDO – Status Report – November 2008) (ICT – Progress Report – September 2008)
Trade Policy Support Programme	Financing Agreement, TAP, Action Fiche			
Better Work and Standards Programme	Financing Agreement, TAP		Monitoring Report - November 2011 (MR-143102.01)	

3.1.2 EC documentation on trade-related assistance in the country

<i>Source</i>
External Assistance Monitoring Report 2006
External Assistance Monitoring Report 2007
External Assistance Monitoring Report 2008
External Assistance Monitoring Report 2009
External Assistance Monitoring Report 2010

3.2 Description of main EC intervention

3.2.1 Intervention no 1

Title: EU- Bangladesh Small project Facility

Budget: 3.250.000 € (of which 250.000 € are grantees' contributions) (FA), 1.499.250 € (CRIS)

Start and end date: 31/12/2007 – 31/12/2009

Objectives and expected results:

Overall objective:

The overall objective of this programme is to support the diversification process of Bangladesh's economy, and ultimately poverty alleviation through an enhanced involvement of civil society partners, specifically the private sector. Bangladesh, whose exports earnings depend for 75 % on the Ready Made Garment industry, has to face the post-MFA (Multi Fibre Agreement) challenge as the textile and clothing sector is expected to undergo worldwide changes as from 2005.

Specific objective:

The project purpose is to improve the mutual understanding and the joint visibility of partners by promoting civil society dialogue and facilitating interactions in the areas of export diversification, trade related matters and economic co-operation. These are critical areas to build economic and trade partnership between the BU and Bangladesh, while contributing to poverty alleviation.

Expected results:

Component 1 – Grants to projects

Projects which are small in financial terms and of limited duration, innovative and of high visibility in the following areas, successfully implemented. Such projects shall be of strategic importance and mutual interest to Bangladesh and the EU:

- areas covered by trade and investment related EU legislation (ie. food safety and phytosanitary matters, intellectual property right issues etc.) which may affect bilateral trade or investment;
- support to initiatives aimed at promoting technology transfer to foster the diversification of the local economy in export oriented sectors;
- support to initiatives aimed at promoting vocational training and entrepreneurship to foster employment in export oriented sectors;
- training of media professionals focusing on economic and trade issues to facilitate the flow of relevant economic and trade information.

Component 2 – Ad-hoc seminars/workshops and short term, small, technical assistance

Ad-hoc seminars and workshops aimed at improving the mutual understanding and visibility of both partners in the above mentioned areas, successfully organized.

Component 3 – Operating activities

Ad-hoc short-term, small, technical inputs aimed at improving the mutual understanding and visibility of both partners in the above mentioned areas mobilized.

Activities:

Component 1:

The programme will provide financial support to a limited number of projects in accordance to the following criteria:

a) Areas of co-operation and eligible activities

Projects will be supported to the extent that they are policy advice-oriented, strategic in nature, have an European dimension, inter alia by involving qualified European institutions, associations, expertise.

In particular proposals in the following areas would be considered:

- trade related matters;
- technology transfer to foster the diversification of the local economy in export;
- oriented sectors Vocational Training and promotion of entrepreneurship to foster employment in export oriented sectors;
- training of media professionals;

Projects funded may take the form of:

- training, educational and capacity building activities;
- studies;
- media events and media products;
- business-related research activities (provided they are non-profit making);
- conferences, seminars and workshops (provided they are not individual sponsorships);
- other activities that promote the image of the EU as a model or example of best or unique practice.

b) Non eligible activities

The EU-Bangladesh SPF may not be used to fund:

- activities which fall within the scope of another EU-Bangladesh co-operation programme under implementation, either bilateral or regional (eg: Asia hwest, Asia Urbs, etc);
- initiatives which are the normal preserve of the regular bilateral contacts between Bangladesh and individual Member States of the EU;
- scientific or technological research;
- individuals with allowances for conference participation;
- individuals with scholarships;
- humanitarian or emergency assistance activities;
- revenues producing activities, including feasibility studies and market research which are the normal prelude to commercial ventures;
- activities that could be eligible for financing under a specific "human rights small project facility";
- profit making activities.

c) Eligible applicants

Project proposals should be submitted by Bangladesh-based applicants. The applicants should be non-profit making and be either governmental, non-governmental organisations, local authorities, business associations, universities or other institutions such as think-tanks. Bangladesh-based applicants may submit their proposals jointly with one or more European partner(s), which status should also be of non-profit making nature.

The applicant shall co-finance a minimum of 10% of the total budget of the proposed activities. The contribution will be calculated on the basis of eligible costs as defined in accordance to EC procedures.

d) Criteria for the assessment of project proposals

Project proposals will be assessed according to the following indicative criteria:

- eligibility of the area proposed;
- coherence with the objectives of the EU's co-operation with Bangladesh;
- innovative and strategic interest of the project proposed;

- budget/cost efficiency, including the level of co-financing; direct impact of the project on the Bangladesh applicant and the sector;
- possibility to disseminate the results or to repeat the project (multiplier effect);
- EU dimension;
- Visibility of the project.

The list of criteria will be definitely established in the guidelines for applicants to be prepared by the Delegation at the stage of preparing the call for proposals. This list will be in conformity with the criteria set for in the EC manual of procedures, and its possible updates.

Component 2:

The programme will provide financial support to a limited number of ad-hoc seminars/workshops and short-term, small, technical assistance in accordance to the following criteria:

- a) Ad-hoc seminars and workshops as well as short-term, small, technical assistance will be supported to the extent that they are instrumental to maintain a positive dialogue between EU and Bangladesh in the areas of economic reforms, trade related matters and economic co-operation.
- b) As regards short-term, small, technical assistance the expertise will never be based intra-muros and will never replace activities to be done by Delegation staff.

Component 3:

The programme will provide financial support for external monitoring, audits and evaluations, as well as information activities and the recruitment of external assessors.

Contracted Services for special support measures.

n/a

3.2.2 Intervention no 2

Title: Bangladesh Trade Support Programme (Post Cancun)

Budget: 8.500.000 € (of which 700.000 € are government contributions) (FA), 6.086.131 € (CRIS)

Start and end date: 09/12/2004 – 31/12/2010

(Operational implementation phase ends on 31/12/2008), Execution period has been prolonged to 31/12/2011

Objectives and expected results:

Overall objective:

To assist Bangladesh pursuing a trade and economic reform agenda in line with WTO agreements and build an enabling economic environment.

Specific objective:

To strengthen human resources and institutional capacity of relevant Government Agencies and private sector parties in order to introduce trade reforms and remove technical barriers to trade, bearing in mind the links between trade and development, and poverty alleviation.

Expected results:

Component 1 – Bangladesh Foreign Trade Institute (BFTI) (2.900.000€)

- Enhanced capacity of Bangladesh in trade issues by strengthening the newly created Foreign Trade Institute (BFTI), an independent institution established in public-private partnership, that is meant to have a three fold role: think-tank for Government on bilateral, regional and multilateral trade, training of government officials and members of the private sector, as well as conducting research.

Component 2 – Research and awareness building on specific trade issues (WTO) (1.360.000€)

- Improved capacity of the Ministry of Commerce to implement WTO agreements (in particular those deriving from DDA), and facilitate the Government in pursuing economic and open trade reforms by contracting high level expertise and involving private sector and civil society in the process.

Component 3 - Trade defence instruments (500.000€)

- Improved capacity of the Tariff Commission on trade defense mechanisms to represent and defend the interest of the Bangladesh Government to WTO.

Component 4 - Maritime Transport (1.200.000€)

- Improved regulatory framework related to maritime transport services and its linkages to multi-mode transport services through technical assistance to the Ministry of Shipping.

Activities:

Component 1:

- Provision of specialized WTO training to trade specialists and researchers
- Training the trainers to support specialized international trade courses for Foreign Service and Sectoral Business Associations
- Support/twinning of visiting scholars
- Supporting private sector dialogue, seminars/dissemination to local stakeholders
- Support to start-up costs of BFTI

Component 2:

- Technical assistance / Studies commissioned to European consultants to enable Bangladesh to comply with WTO commitments, and contribute to substantiate and expand the government trade

agenda and reforms. In particular, attention should be given to facilitate trade in services, e.g. professional, financial and telecommunications, and in the so-called Singapore issues (investment, trade facilitation, competition and government procurement)

- Technical assistance / study on trade and environment issues with the aim of enhancing the mutual support between trade and environment
- Technical assistance / studies commissioned to reputed local institutions / think- tanks to enable Bangladesh to establish trade positions and engage in trade reforms in a global, regional or bilateral basis
- Policy dialogue, stakeholders seminars and dissemination of information

Component 3:

- Capacity building and policy advice to the Bangladesh Tariff Commission in order to better represent and defend the interests of the Bangladesh Government to WTO;
- Training in anti dumping procedures;
- Dissemination of information to local stakeholders

Component 4:

- Policy advice to the Ministry of Shipping eneraland on the national shipping policy
- Technical Assistance to the Ministry of Shipping on international maritime issues, in particular for the preparation / drafting of the new regulatory framework and thoroughly revising the existing maritime legislation on maritime services and other related issues such as freight forwarding and maritime agency services (The Port Act, Inland Shipping Ordinance, The Chittagong Port Authority Ordinance, Dock Workers Act, Merchant Shipping Ordinance, Bangladesh Flag Vessel -Protection Ordinance, Carriage of Goods by Sea Act, Customs Act, Bangladesh Merchant Shipping Rules, Bangladesh Shipping Corporation Ordinance, Bangladesh Inland Water Transport Authority Ordinance, etc.);
- Technical Assistance for improvement of transport maritime / multi-modal services, including stakeholders dialogue. The consultants should produce a 'roadmap' study proposing an action plan with concrete measures for the improvement of the maritime transport sector, ports performance and its linkages with other transport infrastructure. The consultants should also launch and supervise the inception phase of the action plan.
- Technical assistance for training to high-level officials on international maritime Issues.

Contracted Services for special support measures.

Horizontal (coordination) component (2.150.000 € + 390.000€ Contingencies)

- European TA
- M&E
- Supplies
- Operating Costs
- Information & Workshops

3.2.3 Intervention no 3

Title: Bangladesh Quality Support Programme

Budget: 13.500.000 € (of which 2.550.000 € are beneficiary contributions) (FA), 9.559.540 € (CRIS)

The Commission will sign contribution agreements (under the EC-UN framework agreement) with UNIDO (Component 1) and ITC (Component 2). UNIDO and ITC will respectively nominate a Chief Technical Advisor with the responsibility for the co-ordination of all activities of their respective components.

Start and end date: 02/08/2005 – 31/12/2011

Objectives and expected results:

Overall objective:

The overall programme objective is to contribute to growth and poverty reduction assisting Bangladesh in the development, strengthening and diversification, of its production and export base.

Specific objective:

The purpose of the programme is to improve the quality management system of the country to be accepted at international level, increase awareness on international quality standards and potential for exports.

Expected results:

- The System of Quality Management, Standards and Conformity Assessment is improved to be accepted at international level (WTO/SAARC).
- The innovativeness and competitiveness of the textile and garment industry is improved.
- The fisheries inspection capacity to ensure the appropriate testing and controls of frozen fish exports (particularly shrimps) is improved to be accepted at international level (for EU market access).
- The awareness and capacity of the private sector to cope with international quality standards and TBT/SPS is enhanced.

Activities:

Each of the activities under Component 1 and Component 2 will be co-ordinated with the corresponding Line Ministries and private sector organisations. The overall synergies between the activities will be realised particularly concerning joint training events and information exchange through the Project Steering Committee and the Programme Management.

Direct beneficiaries will be the Bangladesh government, designated institutions, private sector associations and civil society organizations which will enhance their capacities to perform their duties:

1. Bangladesh Standards and Testing Institution (BSTI), Consumer Association, Bangladesh National Accreditation Board.
2. Ministry of Textiles, National Institute of Textile Training Research and Design (NITTRAD) and BGMEA Fashion and Technology Institute (BIFT)
3. Fish Inspection and Quality Control (FIQC) Department within the Ministry of Fisheries and the Bangladesh Fish Frozen Exporters Association (BFFEA)
4. Ministry of Commerce and Business Associations.

Intermediate beneficiaries will be operators in the export and import sectors, in Bangladesh and their workforce. The stakeholders will be all the institutions, professional groups and non-governmental organizations concerned with the improvement of governance in Bangladesh and increase of bilateral trade flows between the EU and Bangladesh. All importers and consumers in Europe and Bangladesh will also benefit from the programme by increased food safety and better quality products. The ultimate beneficiary will be the Bangladeshi society in general through the increase of trade capacity and investment through improved conditions for attracting foreign direct investment which should lead to employment creation and poverty alleviation.

Component 1:

Activity 1 – Quality Management System and Conformity Assessment

Activity 1 will focus on the improvement of the quality, standards, metrology and accreditation system in the country at international level. Instrumental to achieve this objective will be the creation, to which the Government is committed, of the Bangladesh National Accreditation Board to facilitate the development of an accreditation system for national laboratories capable to ensure regional and multilateral recognition and acceptability of the conformity assessment certificates. The Bangladesh Standards and Testing Institute will also be strengthened in its basic capacity as standards setting body and in the area of metrology. This will enable Bangladesh to address challenges and requirements brought by WTO agreements in this field, as well as to increase the competitiveness of its export industry. The creation of public-private partnerships and promoting awareness on quality and environmental management systems and social standards will be of crucial importance for sustainable solutions. Through strengthening of the Consumer Association, pressure for change and control will be built up.

- Reviewing and advising on the legislative framework and institutional infrastructure for standards and conformity assessment
- Setting up a national accrediting body with international recognition
- Strengthening BSTI to become an effective standards body
- BSTI metrology, accuracy and traceability improved and accredited
- Strengthening the Consumer Association and other relevant organisations in respect to quality issues and to increase transparency
- Promoting awareness on quality and environmental management systems and social standards
- Mitigating social and environmental aspects of shrimp production through awareness creation and improved management systems

Activity 2 – Garment and Textiles

Activity 2 will focus on improving the competitiveness of the Bangladesh textile and garment industries in response to the phasing out of the quota system in 2005. Skills development, quality assurance programmes, consulting services and strengthening of the National Institute of Textile Training Research and Design (NITTRAD), the Bangladesh Garment Innovation Centre (BGIC) and the BGMEA (Bangladesh Garment Manufacturers and Employers Association) Institute of Fashion and Technology (BIFT) will lead to better service provision to improve productivity.

- Strengthening the National Institute of Textile Training Research and Design (NITTRAD) technical training
- Improving consulting services to the textile and garment sector
- Organisation of Textile Marketing Training and Information Services at BIFT
- Strengthening of the Centre for Export and Product Development (CEPD) at BIFT
- Improving capacities in ministries and trade associations concerning textiles/garments sector analysis and planning

Activity 3 – Fisheries Inspection

Activity 3 will aim at strengthening the fish inspection capacity of the Department of Fisheries and the capacity of the private sector to apply the HACCP standard and to meet the EU SPS requirements. A system of traceability will be introduced to qualify in the future for exports to the EU and the USA. Upgrading of the laboratories of the Government and training of the technical staff are the essential elements to achieve international accreditation for the fish inspection laboratories.

- Strengthening the capacity of the Department of Fisheries to ensure appropriate testing in co-operation with the private sector
- Improving fish inspection facilities
- Setting up a reliable HACCP and traceability system along the shrimps value chain

Component 2:

This component will focus on creating awareness and building the capacity of the private sector to meet the standards, conformity assessment and packaging requirements of export markets in a competitive manner. This component will also provide assistance to the horticulture sector in view of its impact on poverty reduction and employment creation for women. Activities under this component are aimed at improving the understanding of the private sector about quality and packaging requirements in export markets and improving their capacity to apply the value chain approach to find ways to enhance their competitiveness in these markets. The component will mainly work with the Chambers of Commerce, Ministry of Commerce and private sector associations to diversify exports by enhancing the quality of products. This component will help in particular to activate and harmonise the efforts of all relevant stakeholders to engage in the development of product sectoral strategies (value chain approach) in Bangladesh.

- Increasing awareness of private sector and providing information on standards, conformity assessment, packaging, TBT/SPS, and quality issues (fair trade, organic products, etc.)
- Improving the quality standards in the horticultural sector to meet the requirements of target markets to contribute to rural employment generation
- Developing market approach strategies and detailed improvement plans in response to market requirements in selected sectors including strategies for quality improvement using the value chain approach

Contracted Services for special support measures.

Evaluation & Audit (300.000 €)

3.2.4 Intervention no 4

Title: Trade Policy Support Programme

Budget: 6.650.000 € (of which 665.000 € are beneficiary contributions), (FA), 3.798.096 € (CRIS)

Start and end date: 15/09/2009 – 14/09/2015

Objectives and expected results:

Overall objective:

The overall objective of the TPSP is to contribute to trade-led growth and poverty reduction in Bangladesh.

Specific objective:

The project purpose is to support the development of a coherent trade policy through capacity building of key trade-related institutions. For this purpose three programme components are planned: (1) policy-related capacity building in the MoC; (2) support to policy research and training capacity at BFTI; and (3) support to the EPB in the automation and handling of GSP certification.

Expected results:

Component 1 – The Ministry of Commerce (MoC)

- An improved capacity and performance of the MoC in terms of trade policy formulation, implementation, intra and inter-ministerial coordination, and negotiations as well as improved communication and trade information flow between the MoC, ministries, business community and other stakeholders.

Component 2 – The Bangladesh Foreign Trade Institute (BFTI)

- A functioning foreign trade institute which is able to fulfil its role as a trade policy research institution, a training facility for both public and private sectors, and a trade policy think-tank.

Component 3- The Export Promotion Bureau (EPB)

- An improved and automated system whereby the EPB will be in a position to operate effectively the current and future GSP scheme, including tracing the origin of products and calculating value addition, with the aim to ensure authenticity and minimize the possibility of fraud and forgery.

Activities:

Component 1:

The first programme component concerns the MoC and is the most important component since the trade policy forms the framework for the other components to follow.

The Ministry of Commerce (MoC) is the government body, primarily responsible for trade policy formulation, implementation, monitoring and coordination. It is also responsible for multilateral, regional and bilateral trade negotiations. It monitors and implements trade agreements and trade policy matters together with those specialised agencies such as the Bangladesh Tariff Commission (BTC), the Export Promotion Bureau (EPB), and the Office of the Chief Controller of Imports and Exports (CCIE) within the MoC. It also coordinates and implements trade policy issues with other in-line ministries and agencies and with the private sector business associations and civil society organizations.

As the paramount institution responsible for trade matters in the country, the MoC needs to enhance its capacity to deal efficiently with the trade policy formulation and implementation, trade negotiations, trade coordination / consultation, and trade-related information dissemination. In particular, the institutional and human resource capacities are inadequate to deal with the complexities of the WTO, regional and bilateral trade negotiations and the increased demands of the business community and civil society for trade-related information. Due to its relative small size and the staff rotation system of the GoB, it is difficult for the MoC to maintain adequate and qualified staff to carry out the work required. The existing structure of the Ministry can hardly provide the required services to the business community and citizens

and cannot sufficiently cope with the changing trading environment.

The TPSP will focus on the following areas to address the institutional capacity gaps and problems of the MoC:

In 2008, prior to the start of the TPSP which is expected to commence in autumn 2009, a strategic review of the MoC and its trade-related institutions will be carried out separately by short-term experts within a framework contract. This strategic review will look at the roles, structure, functions, responsibilities, coordination / consultation mechanisms and responsibilities of the MoC and other actors in the trade area. Based on the results from the review a set of recommendations and an action plan will be developed in close cooperation with the MoC. The strategic review will have a special focus on how to strengthen inter-agency and public-private sector consultations. With the objective to create "ownership" for the action plan by the MoC, it is proposed to form a "strategic review working group" consisting of senior officials of the MoC and the consultants.

Implement the action plan from the strategic review

Based on the results from the strategic review and the action plan a detailed work plan will be elaborated under the TPSP and the programme will initiate, support and monitor its implementation.

Strengthening the Inter-Ministerial Coordination and Government-Business Consultation

As shown above, trade policy matters are directly linked with the responsibilities of other in-line ministries. There is some consultation and coordination in place however there is a general view that these are far from optimum. In particular it is felt that consultations and coordination must be made more regular, more pro-active and more result and implementation oriented. Trade policy developments and trade negotiations have significant implications for the private sector and people, particularly the poor and disadvantaged people. As a result, it is very important for the MoC to maintain an effective inter-agency coordination and government - business consultation mechanism.

Need for Training and Capacity Building of MoC Officials

The strategic review study is expected to provide precise guidance on the gaps and needs for trade-related capacity building for MoC in the near future. However, it is already obvious that MoC officials are not well equipped to carry out many of the demanded services. It is important to provide training and capacity building programmes to strengthen their skills and negotiating capacities on the multi-disciplinary and rather complicated trade issues.

The training should primarily be practical and, to remain relevant, be closely related to the everyday work of the participants. However, the training will also focus on creating an understanding of the need for a coherent trade policy and will as such have theoretical aspects to it. Finally there are special capacity-building measures foreseen for the FTA wing and WTO cell in terms of negotiations and compliance issues.

Much of the foreseen training should be undertaken under component 2, by the BFTI.

Need to Strengthen the Trade Information System in the MoC and other Agencies

The MoC is responsible for disseminating trade-related information to the business community and general public. The business community also needs to know the trade and investment barriers of other countries. Other in-line ministries and agencies require trade-related information in order to formulate adequate trade and other policies. Even the MoC internal information system does not flow smoothly. For example, the MoC website carries very limited information and is updated irregularly. Presently the MoC still relies on the traditional way to communicate trade-related information. In the modern IT era, this situation could be improved to address the needs of the business community timely and to improve the efficiency of the MoC operation.

Currently, many employees do not have a computer, or in many cases, access to the internet. The website of the MoC should be made dynamic and an intranet system between the MoC and its related institutions should be created to facilitate the free and effective flow of data and information. The information system should be designed in such a way that it will be easy to link to other ministries and relevant institutions.

Component 2:

The second programme component focuses on support to the Bangladesh Foreign Trade Institute (BFTI), which was established in May 2003 as a public-private partnership (PPP) initiated by the Ministry

of Commerce.

The objective of the BFTI is to strengthen the trade-related capacities of the MoC, other relevant ministries and export-oriented businesses in the context of globalisation and the changing international trading environment. Once fully operational, BFTI is expected to provide high-level trade policy research and think-tank facilities for both government and private sector groups in a mutually supportive and reinforcing manner, furthermore different types of training to address the long-term trade capacity building needs of the country are planned. Trade-related consultancy and advocacy services are also envisaged in BFTI. The BFTI will to some degree function as the linchpin between the three components of the TPSP programme, as it will undertake much of the recommended training under the other two components.

Policy advocacy is a priority role of research institutes in charge of supporting governmental policy making. Active policy advocacy is essential to ensure that outputs are taken up throughout the policy recommendation process. BFTI's policy advocacy capacities have to be strengthened. The role of BFTI implies that BFTI trade research results have to be relevant to MoC's policy making activities.

The BFTI will fill the needs for many different services requested by stakeholders, most importantly the BFTI will provide the MoC and other ministries with information, data and advise in the area of trade, from trade policy research and analysis, formulation of strategies, position papers, impact assessments, etc., negotiations in trade agreements up to questions of implementation of the outcome from negotiations. Similarly the private sector will use the BFTI to supply them with inputs and suggestions in trade policy making and in safeguarding its interest. These inputs can take the form of research, training and consultancy if needed. In the medium run a trade-oriented think-tank function must be reached attracting and cooperating with top rank researchers, trade experts and politicians. Part of the think-tank activities should also be oriented towards the task of policy advocacy.

Conclusively the component will focus on building in-house capacity in terms of trade policy research and advocacy, training and consultancy activities. It is also foreseen to continue cooperation with other institutions through twinning as it has been done under the current BTSP. The training activities will focus on trade policy and WTO matters on a general level as well as on specialised and customized training within these fields. Train the trainer's programmes will be initiated in order to build in-house capacity.

Component 3:

The third component targets the Export Promotion Bureau (EPB), which is the main arm of the MoC involved in development and promotion of the export sector. Its major responsibilities include providing policy support to the MoC in promoting exports, implementing promotional activities, exploring external market possibilities, conducting surveys and studies, collecting and disseminating trade data and information, organising and participating in international trade fairs, and imparting training in export promotion and expansion. However, the export development and promotion tasks performed by the EPB are comparatively weak when looking at other countries. The same is valid for the regulatory functions of the EPB, which are the primary focus of the TPSP. The TPSP will focus on improving and automating the implementation of the GSP system and Rules of Origin (RoO) certifications.

Since some time Bangladeshi exporters / EPB are facing problems with unauthenticated GSP and country of origin certifications appearing in EU market countries. Under these circumstances it has become imperative to assist Bangladesh in upgrading the regulatory functions of the EPB. Both DG TAXUD and OLAF are currently looking into ways of supporting the EPB and all activities under the TPSP will take into consideration the progress already achieved by the two institutions.

The overall aim of all activities will include the establishment of an online information checking system between the EPB and its network partners. Secondly, the staff of the EPB as well as its network partner organisations should receive training enabling them to operate the GSP certification process including value additional calculations and rules of origin. Finally, a system for maintenance and easy access to records relating to the GSP certification should be established.

For further details on suggested activities please see the annex to these technical and administrative provisions.

Contracted Services for special support measures.

n/a

3.2.5 Intervention no 5

Title: Better Work and Standards Programme (BEST)

Budget: 16.900.000 € (of which 15.000.000 € are EC contributions, 1.240.000 € are UNIDO contributions, 660.000 € are GTZ/Government of Germany contributions, additional 5.000.000 € GoB (in-kind) contributions) (FA), 14.625.000 € (CRIS)

Start and end date: 27/12/2009 – 26/12/2016

Objectives and expected results:

Overall objective:

The overall objective of BEST is to contribute to economic growth and poverty reduction by supporting Bangladesh to take advantage of global market opportunities.

Specific objective:

The programme purpose is to improve competitiveness and facilitate export growth and diversification through increased productivity and compliance of the production base with international norms and practices.

The specific purposes of BEST components are:

Component 1:

To strengthen the overall national quality conformity assessment infrastructure and integrate it with the international quality infrastructure in order to increase consumer protection through improved product safety and quality features and improve competitiveness so to allow Bangladesh better exploit global market opportunities.

Component 2:

To strengthen the national quality infrastructure for fish and fish products to meet safety and quality requirements in export markets, improve competitiveness and take advantage of global market opportunities particularly in EU markets.

Component 3:

To strengthen overall competitiveness in the textiles and RMG sector and to improve the working conditions of the RMG sector leading to the expansion of the sector and creating better employment opportunities.

Expected results:

Component 1 – Better Quality Infrastructure (BQI)

Result 1: Bangladesh Accreditation Board is a full member of the Asia Pacific Laboratory Accreditation Cooperation (APLAC) and International Accreditation Forum (IAF) and is a signatory of APLAC and IAF Mutual Recognition Agreements (MRAs).

Result 2: The institutional structure of Bangladesh Standards and Testing Institution (SSTI) is reformed and its operational capacity strengthened in line with international norms.

Component 2 – Better Fisheries Quality (BFQ)

Result 1: Official controls improved and integrity of production management systems strengthened to meet international norms, so as to improve food safety conditions and maintain access to export markets for fishery products. A tangible result and success of this component of the programme will be to what extent the deficiencies in the control system have been addressed and that compulsory testing on seafood consignments to the EU (put in place following FVO mission of October 2007) can be avoided in future.

Component 3- Better Work in Textiles and Garment (BWTG)

Result 1: To enable the Textiles and Clothing sector to better compete in the post Multi Fibre Agreement (MFA) context, through enhanced social compliance and better performance.

Result 2: The textile and garment sector complies with minimum standards stipulated in the revised Bangladesh Labour Law 2006 and increased application of international labour and social standards in the RMG sector.

Activities:

Component 1:

The Ministry of Industries (Mol) and its relevant institutions such as BSTI, BAB, are the key stakeholders in component 1. The Mol formulates and implements policy in relation to national standards, technical regulations, and conformity assessment requirements. The Mol supports the activities of the Bangladesh Accreditation Board and BSTI including the National Metrology Institute. BSTI and BAB are both critical institutions for strengthening the national quality framework. The BAB was set up in 2006 and is expected to be fully operational in the third or fourth quarter of 2008. BSTI plays a regulatory role on behalf of the Ministry. Other key stakeholders of the first component include consumer organisations who, when strengthened, will be able to drive the demand for continued quality improvements. To achieve the objectives of the Quality Infrastructure component it will be necessary to implement activities under two main result areas.

Firstly, the Bangladesh Accreditation (BAB) needs to be a full member of APLAC and a signatory to APLAC and IAF MRAs. To achieve this, its operational capacity to offer accreditation services will have to be further strengthened. The following are the main activities planned to achieve this:

- Accreditation programme in cooperation with foreign accreditation bodies for a number of product testing laboratories, certification and inspection bodies, and medical laboratories;
- Development and application of training curricula in specific areas and for increasing the number of assessors;
- Management training for Bangladesh Accreditation Board (BAB);
- Assistance to participate fully in international forums including ILAC, APLAC, IAF, PAC and SAARC;

Secondly, in order to achieve the component purpose, the institutional structure of BSTI will need to be strengthened in line with international norms. As with BAB, the operational capacity of BSTI will have to be strengthened to attain this goal. The following are the main activities planned to achieve this:

- Assist BSTI to undertake structural, financial and legislative reforms including necessary support;
- Capacity building among senior management;
- Further development of metrology infrastructure;
- Further strengthen of BSTI's capacity develop standards to meet international norms
- Application of an internal quality management system
- Further strengthening of inspection programme
- Reform of overall quality management structure of Ministry of Industries including establishment of a regulatory body to enforce compliance with mandatory standards;
- Support the BCSIR chemical calibration laboratory with environmental control systems to meet international standards;
- Improve the existing consumer market surveillance system.

Component 2:

The Department of Fisheries of the Ministry of Livestock and Fisheries is the Competent Authority for official controls of the export of fishery products, while industry stakeholders at different levels of the distribution chain are responsible for ensuring production quality. Although a significant proportion of the export processors generally meet international requirements, the supply chain lacks capacity to implement internal systems of control in relation to good aquaculture practices, traceability, hygiene practices and control of veterinary medicines etc. Bangladesh Frozen Food Exporters Association invested heavily in the recent past for inspection capacity building. Private sector will also be strengthened in the quality issues in the BEST programme.

To achieve the objective of the fisheries component it will be necessary to implement activities to deal with official controls and creation of an enabling environment for successful implementation of production management systems by the sector. In addition it will be necessary to involve private sector organisations in the testing as well as vocational training activities. In order to secure sustainability it will be necessary to withdraw the licence to operate of those participants in the supply chain who repeatedly do not conform to the regulations.

The key activities are summarised below.

- Harmonization of the regulatory framework for controls in the supply chain including veterinary medicines.
- Strengthen of the control reach of the competent authorities throughout the supply chain
- Increase the validity and reliability of sampling and laboratory analysis for official controls through support for strengthening of Good Laboratory Practices and accreditation, including laboratories nominated by the DoF.
- Support initiatives to simplify of the supply chain and improve internal control mechanisms (including environmental management)
- Support the improvement of the socio economic situation of target groups through implementation and enforcement of labour law.

Component 3:

Market access issues are becoming increasingly complex and diverse. The main challenges faced by the textile and RMG industry of Bangladesh relates to performance compliance and social compliance. Given the share of the Textile and Clothing (T&C) sector in the national economy, the specific objective directly supports the programme purpose in two result areas.

Firstly, to enable the Textile and Clothing sector to better compete in the post MFA context, through enhanced social compliance and better performance. The following are the main activities planned to achieve this:

- Development of a National Performance Cluster for Textiles and Garments with institutes including BGMEA Institute of Fashion and Technology (BIFT), National Institute of Textile Training and Design (NITTRAD) and iART Bangladesh Knitwear Manufacturers and Owners Associations (BKMEA) and other institutions with modern ICT and education technologies.
- Support the long term alliances between these institutions and international textiles institutions of repute (i.e. Niederrhein University, Germany and London College of Fashion, University of the Arts, United Kingdom).
- Formulate a "Long-term Support Plan for Textile Training"
- Delivery of training to managers, supervisors and technicians
- Strengthen of the analysis and planning capacities of relevant ministries and private sector associations

Secondly, the textile and garment sector complies with minimum standards stipulated in the revised Bangladesh Labour Law 2006 and increased application of international labour and social standards in the RMG sector. The following are the main activities planned to achieve this:

- Raise awareness of international labour and social standards among workers, middle managers and civil society.
- Strengthen the capacity of supervisors, inspectors and managers to implement international labour and social standards through specialist training.
- Develop mechanisms for mediation and arbitration among national as well as between national and international stakeholders.
- Strengthen institutional capacity to support international labour and social standards through better

policy and regulation.

Contracted Services for special support measures.

n/a

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Country Fiche

CAMEROON

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1 Introduction

During the evaluation period from 2004 to 2010, Cameroon received approximately 22 million € for TRA from the European Commission. It is important to note that in 2004 and 2005 no funds were dedicated to TRA and that the major aid flows started in 2007 only.

The four major programmes financed by the European Commission during that period covered various trade-related issues. The «Programme d'assistance technique et financiere au secteur bananier 2007 (Cameroun ATF 2007)» mainly focusses on increasing the competitiveness of the export-oriented banana sector, while the «Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)» is meant to support the Government in the EPA-negotiations and to contribute to the effective monitoring of the EPA. At the same time the programme has the purpose to improve the competitiveness through capacity building in the private sector and by strengthening quality systems. The «Programme d'appui au Conseil interprofessionnel du cacao et du café (CICC)» sets its focus on strengthening producers' organisations and thereby increasing production and competitiveness in the cocoa and coffee sector. The fourth major TRA-programme «Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD)» is clearly targeting the customs administration and an increase in the efficiency of customs services.

All programmes are currently ongoing and their achievements are therefore only partially monitored and assessed. Only the PASAPE and the PACICC have undergone monitoring missions. Both programmes are rated poorly due to major delays in the implementation and a lack of capacity and support by the Government and other concerned institutions/organsiations. The ATF 2007 is based on the very positive experiences from previous ATF-programmes and is therefore expected to be highly relevant and contribute to developing the banana sector. The PAPMOD builds on various diagnostic studies and assessments of the customs system in Cameroon. Therefore it is oriented along these results and recommendations and should respond to the correct needs and priorities. It remains open to which extend the programme will achieve its objectives.

1.1 Country Overview

	2004	2005	2006	2007	2008	2009	2010
Exports Volume Index	100.5	93.9	101.0	93.0	87.3	81.1	77.3
Imports Volume Index	140.2	139.9	145.5	177.6	184.8	167.1	181.9
GDP per Capita in current US \$	919	945	956	1.127	1.265	1.157	1.147
Exports in % of GDP	19	20	23	22	33	27	29
Imports in % of GDP	20	21	21	21	36	31	32
FDI net inflows in current US \$	86,122,105	234,006,549	16,383,940	191,016,785	24,198,019 (minus)	668,329,442	551,207 (minus)

Rankings of the Global Competitiveness Report of the World Economic Forum (WEF)

Cameroon	2004	2005	2006	2007	2008	2009	2010
Rank	/	111	108	116	114	111	111
total number of countries	104	117	125	131	134	133	139

WTO Membership:	Yes, since 13.12.1995
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Status Economic Partnership Agreement (EPA):	Signed an interim EPA in 2009
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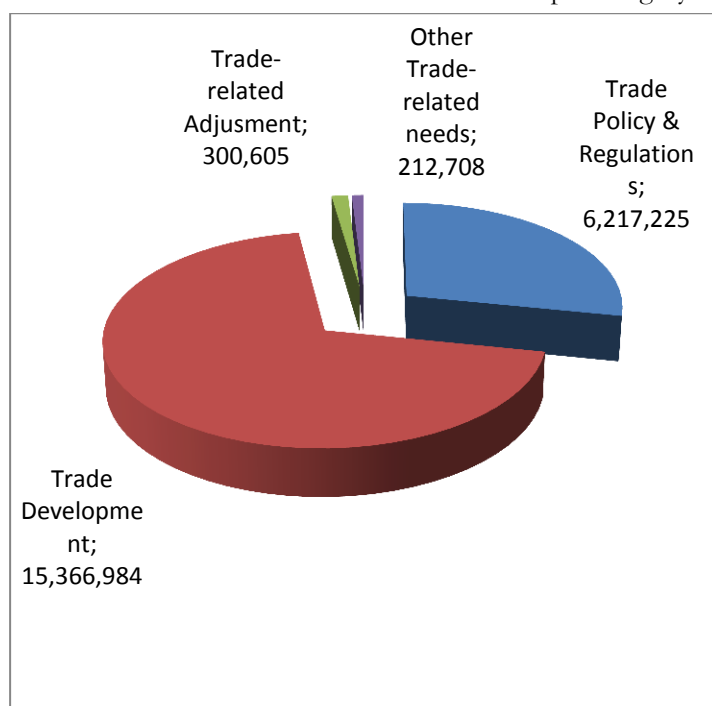
1.2 Commission's TRA to Cameroon between 2004 and 2010

1.2.1 Contribution per sector, modality and channel

1.2.1.1 Breakdown per Category

Year	Trade Policy & Regulations	Trade Development	Trade-related Adjustment	Other Trade-related needs	Grand Total
2006			278.804		278804,39
2007		6.183.575			6183575,2
2008	294.133	1.466.000	21.800		1781933,44
2009	71.647	1.188.505			1260152
2010	5.851.445	6.528.904		212.708	12593056,32
Grand Total	6.217.225	15.366.984	300.605	212.708	22.097.521

Total volume of contracted amount 2004-2010 per category



1.2.1.2 Breakdown per Modality

Row Labels	Project	SBS	Support to Sector Programmes	Grand Total
2006		278.804		278804,39
2007	4.813.325		1.370.250	6183575,2
2008	1.320.133	21.800	440.000	1781933,44
2009	90.152		1.170.000	1260152
2010	7.161.156		5.431.900	12593056,32
Grand Total	13.384.767	300.605	8.412.150	22.097.521

1.2.1.3 Disbursement Rate

Year	Amount contracted in €	Amount paid in €
2006	278.804	278.804
2007	6.183.575	4.853.390
2008	1.781.933	1.321.809
2009	1.260.152	1.025.979
2010	12.593.056	6.306.796
Grand Total	22.097.521	13.786.779

Disbursement per Category

Row Labels	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	6.217.225	1.702.900
Trade Development	15.366.984	11.655.650
Trade-related Adjustment	300.605	300.605
Other Trade-related needs	212.708	127.625
Grand Total	22.097.521	13.786.779

Disbursement per Modality

Row Labels	Amount contracted in €	Amount paid in €
Project	13.384.767	6955967,56
SBS	300.605	300604,69
Support to Sector Programmes	8.412.150	6530206,39
Grand Total	22.097.521	13.786.779

Disbursement per channel

Row Labels	Amount contracted in €	Amount paid in €
Private Company	13.300.591	9.341.279
Government	4.462.906	2.109.762
NGO/Association/Chamber/Foundation	3.334.024	2.335.738
Development Agency	1.000.000	0
Grand Total	22.097.521	13.786.779

1.2.2 Important TRA interventions in Cameroon

Table 24 Overview of Commission's most relevant TRA interventions in Cameroon

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Committed amount for the intervention</i>
Cameroun ATF 2007	BAN/2007/019-434	4.141.900
Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)	FED/2007/018-833	3.472.620
PROGRAMME D'APPUI AU CICC	FED/2007/020-754	2.805.524
Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD)	FED/2009/021-375	1.526.702

Source: CRIS database, Partecip GmbH analysis

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

Summary:

- The TAP of the ATF 2007 refer to the importance of banana in the country's agricultural policy and the ATF as a major instrument in the restructuring of the agricultural sector. One activity (extension of plantations) relates to the national development strategy for the banana sector.
- The PASAPE is clearly related to the priority intervention sector (regional integration and trade) as mentioned in the CSP which has been agreed with the government (Monitoring Report & EAMR). The programme corresponds to the country's needs for being well prepared for the regional EPA negotiations.
- The PACICC is coherent with the rural development policy of the GoC. The support of the CICC corresponds to its status being the sole representative of the coffee and cocoa sector (accorded to this institution by law) (TAP & Monitoring Report).
- The PAPMOD follows recommendations given by the country's Commission for Fiscal Reforms for the modernisation of the customs and is aligned with the PRSP.

Cameroun ATF 2007- BAN/2007/019-434

TAP – December 2008

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La banane dessert du Cameroun constitue, après le bois et l'exclusion du pétrole, le deuxième produit d'exportation du pays en volume (le troisième en valeur, avec en 2006 un chiffre d'affaires de 170 Md FCFA). Elle est un élément majeur de la restructuration de l'économie nationale, dans le cadre de la Nouvelle Politique Agricole. Parallèlement, comme utilisatrice, en zone rurale, d'une main-d'œuvre abondante, elle est un maillon essentiel de la stratégie du Gouvernement camerounais dans le cadre de la politique de lutte contre la pauvreté.

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Le Gouvernement s'est engagé depuis 1987 dans une stratégie de restructuration du secteur agricole et des grandes filières de production. Il met en œuvre avec le soutien du programme d'Assistance Technique et Financière (ATF), une stratégie nationale spécifique de développement de la filière bananière établie en 1999, actualisée en 2001 et confirmée en 2003 et en 2006.

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(...) d'étendre les plantations actuelles sur de nouvelles terres, conformément à la stratégie nationale de développement de la filière bananière pour développer les volumes exportés et faire les économies d'échelle indispensables à l'amélioration de sa compétitivité;

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Les négociations de l'APE avec l'Afrique centrale (CEMAC + Sao Tomé e Príncipe et, depuis fin 2005, la RDC) ont été officiellement ouvertes à Brazzaville le 4 octobre 2003. Dans l'esprit du nouveau partenariat, les négociations et la mise en œuvre de l'APE doivent être accompagnées d'une part de politiques appropriées du côté des États ACP et de l'autre par des mesures de soutien de la part de l'Union européenne.

Le Programme Indicatif National (PIN) du 9^e FED prévoit qu'une dotation d'environ 6,5% de

<p>l'enveloppe indicative soit consacrée à ce type d'interventions, y compris celles en support au secteur privé. Suite à la revue à mi-parcours du 9^o FED, les autorités camerounaises et la CE ont décidé qu'il était nécessaire d'amplifier les efforts concernant la préparation de l'économie nationale à l'arrivée de l'APE.</p> <p>Au niveau régional, le PASAPE est en cohérence avec les programmes exécutés conformément au Document de stratégie de coopération régionale du 9^o FED signé le 24 janvier 2003 qui établit «l'intégration économique régionale et l'appui au commerce» comme premier secteur de concentration.</p>
Monitoring Report – April 2009
<p>Aspects horizontaux</p> <p>Cette coopération s'inscrit dans le cadre des secteurs prioritaires d'intervention décidés par les parties.</p>
EAMR – February 2007
<p>... Document de Stratégie Pays prévoyant deux domaines de concentration: la gouvernance (finances publiques, système judiciaire, gouvernance forestière et système électoral), qui pourrait représenter environ 21% de l'enveloppe, et l'intégration régionale et le commerce (intégrant le développement des infrastructures et le renforcement des capacités de production, et en mettant l'accent sur l'amélioration de la compétitivité et la facilitation des échanges commerciaux)</p>
PROGRAMME D'APPUI AU CICC - FED/2007/020-754
TAP – May 2007
<p>p. 10</p> <p>Le programme d'appui au CICC s'intègre parfaitement dans la stratégie sectorielle du Gouvernement qui veut assurer la relance et le développement des trois filières.</p>
<p>p. 10</p> <p>Dans la stratégie de développement du secteur rural, les organisations rurales professionnelles et interprofessionnelles constituent la clé de voûte du développement rural.</p>
Monitoring Report – April 2009
<p>Pertinence & Qualité</p> <p>Le PACICC est un projet pertinent dont les objectifs globaux et spécifiques sont cohérents avec les politiques du gouvernement camerounais. Dans la politique de développement du pays, le secteur rural fait l'objet principal du document de Stratégie de Développement du Secteur Rural (SDSR).</p>
<p>Viabilité potentielle</p> <p>Le PACICC est cohérent avec les politiques du Gouvernement Camerounais. Dans la politique de développement du pays, le secteur rural fait l'objet principal du document de Stratégie de Développement du Secteur Rural (SDSR). Contribuer au développement des filières du cacao et du café en renforçant de façon durable les Organisations Professionnelles Agricoles (OPA) est une voie permettant de réduire la pauvreté. Sa réduction est parmi les priorités présentées dans la déclaration des Objectifs du Millénaire pour le Développement et dans le Document de Stratégie de Réduction de la Pauvreté (DSRP) finalisé par le Gouvernement en 2005. Le PACICC répond parfaitement aux besoins des bénéficiaires, qui sont principalement des petits producteurs, dont la productivité et la compétitivité doivent être améliorées. Le CICC bénéficie d'un soutien du Gouvernement qui, au travers de textes juridiques, lui reconnaît l'exclusivité de représentation de l'interprofession.</p>
Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD) - FED/2009/021-375
TAP – October 2010
<p>p. 4</p> <p>Le rapport général 2007 de la commission de réforme fiscale a conforté dans ses recommandations les orientations du plan de modernisation de la douane.</p> <p>...</p> <p>Le rapport général de la Commission de Réforme Fiscale camerounaise fixait en objectif 2008 l'extension du réseau Sydonia, objectif non atteint. Il préconisait encore l'institution d'une formation initiale en informatique et continue dans le domaine réglementaire. Il recommandait aussi l'élaboration de tableaux de bord avec définition des objectifs et relevait les insuffisances suivantes:</p> <ul style="list-style-type: none"> ▪ Le site internet de la douane est opérationnel mais demande à être actualisé ▪ L'informatisation de tous les secteurs des douanes reste à faire ▪ La limitation des visites physiques des marchandises doit être mise en œuvre ▪ Il convient de systématiser le bénéfice de la valeur transactionnelle pour les entreprises citoyennes, de

<p>promouvoir les régimes économiques, de redéfinir les règles d'origine dans la CEMAC</p> <ul style="list-style-type: none"> ▪ Il est nécessaire d'établir et de renforcer le partenariat privé/public ▪ Il convient de définir une véritable politique de contrôle de l'exécution du service
Fiche d'identification – March 2009
<p>p. 3</p> <p>Le DSRP adopté par le gouvernement en avril 2003, et en cours de révision, et le Programme National de Gouvernance révisé en 2005 constituent les cadres de référence de la politique de croissance et de réduction de la pauvreté du Gouvernement. Ils visent à promouvoir, entre autres, un cadre macro-économique stable, la croissance par la diversification de l'économie, le renforcement des ressources humaines, du secteur social et l'insertion des groupes défavorisés dans le circuit économique, l'amélioration du cadre institutionnel et de la gouvernance.</p>

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

2.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

2.1.2.2 I 2.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

<p>Summary:</p> <ul style="list-style-type: none"> ▪ As stated in the EAMR, the ATF 2007 has been adjusted to delays in the banana sector by revising the applicable regulations for « Calls for Proposal » to increase implementation rates. ▪ PASAPE was designed in a way to allow for the necessary flexibility since ongoing trade/EPA negotiations require support measures to be responsive to needs arising from changing national / international contexts (TAP). ▪ The PASAPE-Monitoring Reports show that major delays threaten the successful implementation of the programme. These delays are related to an inflexible design and insufficient government support. The TA was able to dynamise the implementation through various measures mainly to encourage dialogue processes. Changes within the planned activities, additional funds from UNIDO and an extension of the implementation phase shall ensure the successful finalisation of the programme. ▪ TAPs of both ATF 2007 and PADMOD are explicitly referring to the flexibility of their logframe matrixes.
Cameroun ATF 2007- BAN/2007/019-434
TAP – December 2008
<p>p. 7</p> <p>Pour plus de facilité, un cadre Iogique initial est annexe au present document. Il peut etre actualise ou modifie dans le plan de travail global, auquel il sera annexe, sans pour autant qu'il faille modifier la convention de financement.</p>
EAMR – February 2008

p. 18 Les délais successifs impartis à la filière n'ayant pas permis d'arriver à une répartition consensuelle, l'ON et la DCE ont décidé de faire cette répartition selon la clé agréée par les bénéficiaires pour les ATF précédents. Sur cette base, les appels à propositions pour ces deux ATF 2004 et 2005 (pour un montant de 7,7 M€) ont été publiés en juin et finalisés avant fin 2007 ; les taux d'engagement respectifs sont de 98% et 94% à cette date. 25 contrats pour un montant total de 12,3 M€ ont été signés pendant l'année et 8,2 M€ ont été payés.
Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE) FED/2007/018-833
TAP – October 2007
p. 2-3 Il ressort de l'évaluation des projets d'appui au commerce et au secteur privé dans les pays en développement les principes clefs suivants qui ont été intégrés dans le processus de formulation et l'approche stratégique du présent programme: <ul style="list-style-type: none"> - être flexible étant donné que l'APE est en cours de négociation et que les besoins en termes d'aide au commerce peuvent varier très rapidement en fonction du contexte international et/ou régional. Cette recommandation fait partie des principales conclusions de l'évaluation sur l'aide liée au commerce réalisée par la CE en 2003.
Monitoring Report – April 2009
Efficienc e à ce jour Les réalisations prévues à ce jour n'ont pu être réalisées. Pour pallier à ces retards, la CDE et la régie ont recruté deux assistants techniques court terme (6 mois) pour venir appuyer à la mise en œuvre. Cependant, ce recrutement n'ayant pas été fait en parfaite collaboration avec le CNSCN , le principal concerné, les consultants n'ont pas obtenu la collaboration souhaitée et ont par conséquent travaillé dans des conditions qui n'étaient pas les meilleures.
Efficacité à ce jour En l'état actuel des choses, la réalisation de l'objectif relatif à l'appui aux négociations nous semble difficile à atteindre. Par contre, l'AT en charge des composantes mise à niveau et qualité, malgré la non mise à disposition des moyens matériels, est en train d'effectuer un travail considérable d'anticipation. Il a déjà rencontré la majeure partie des parties prenantes pour des séances d'explications et de présentation, élaboré les termes de référence du profil de ses futurs collaborateurs, mis en place un cadre de concertation périodique et défini son calendrier de travail. Ceci a permis d'entamer la communication sur l'objectif du projet et les premières réactions sont fort encourageantes au vue des nombreuses entreprises (26 à la date du 24 mars 2009) qui ont fait une demande d'adhésion au programme. C'est aussi le lieu de rappeler qu'une solution a été trouvée par rapport à l'absence initial de budget pour le fonds de mise à niveau. Une demande de financement complémentaire de l'ordre 1 Million d'euros a été introduite par l'ONUDI et acceptée par la DCE.
Monitoring Report – April 2010
Pertinence & Qualité Les progrès qu'il peut induire sont certains, mais ne peuvent dépasser le cadre de modèles ou de réalisations expérimentales qui resteraient à développer à une plus grande échelle (échelle réelle) : la véritable réalisation des objectifs se situe au niveau des "hypothèses", à savoir la capacité du Gouvernement de mobiliser les ressources nécessaires pour assurer durablement la compétitivité de son économie. Le projet vient en appui, assez marginal, à cette capacité hypothétique. Les moyens matériels nécessaires à la mise à niveau des entreprises n'ont pas été prévus : le projet initial semble avoir sensiblement réduit ; le nombre d'entreprises soutenues est passé d'une soixantaine (20 dans l'étude de faisabilité) à 15 ; les fonds nécessaires au soutien pratique des entreprises sélectionnées n'ont pas été prévus. Les risques et hypothèses sont correctement formulés, mais leur importance sous-estimée : le projet n'est pas en mesure de maîtriser l'ensemble des paramètres nécessaires à sa réussite. Sa viabilité est cependant rendue probable par l'engagement ferme et global du gouvernement, par la politique cohérente jusqu'à ce jour menée et par la convergence d'un nombre importants de projets engagés par l'UE et les autres bailleurs de fonds - pour peu que les réformes économiques et financières en cours soient menées à terme.
Pertinence & Qualité La construction du projet, d'une architecture surdimensionnée à son volume financier, le rend peu souple

et peu adaptable. Il fait actuellement l'objet d'un avenant portant sur i) son budget (augmentation d'1 million d'euros), ii) sa durée (extension d'un an) et iii) la redéfinition de certaines de ses activités.

Perinence & Qualité

La conception et la préparation du PASAPE a fait l'objet d'une consultation généralisée de l'ensemble de ses partenaires : il semble cependant que le projet ait fait ensuite l'objet de modifications, en termes de budget et d'activités, sans une concertation suffisante avec tous les partenaires, dont certains avouent avoir été surpris par la forme finale du projet : ce flottement a pu nuire à son appropriation par les parties intéressées.

Efficiencie à ce jour

Le cadre logique et les plans de travail permettent surtout de mesurer le manque à réaliser du projet, dont la situation générale ne s'est pas sensiblement modifiée, en termes d'activités réalisées, depuis le monitoring effectué en mars 2009 : cependant, tout un travail de terrassement et de "viabilisation", peu visible mais effectif, du terrain interinstitutionnel et opérationnel a été effectué.

Le montage institutionnel ne permet pas au projet d'absorber les lenteurs liées aux procédures comme au manque de réactivité des institutions camerounaises. Les retards accumulés nécessitent la mise en place d'un avenant, demandé par la DUE : cet avenant comprend l'extension de 10 mois de la durée de mise en oeuvre opérationnelle, dont la date limite est actuellement fixée au 31/12/2011, l'augmentation du budget de € 1.000.000, et le réajustement des activités. Les 10 mois supplémentaires devraient suffire pour la réalisation des principales activités, pour peu que la volonté désormais affichée par tous les acteurs du projet de dépasser les conflits et les malentendus à ce jour rencontrés se confirme.

Le réajustement des activités du projet tient au fait que le gouvernement camerounais a réalisé seul au moins deux des résultats prévus:

i) la mise en place d'un mécanisme de guichet unique d'appui aux entreprises, et celle du "Cameroon Business Forum", organe de liaison entre les secteurs publics et privés de l'entreprise.

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Pour plus de facilité, un cadre logique initial est annexé au présent document. Il pourra être actualisé ou modifié dans le plan de travail global, auquel il sera annexé, sans pour autant qu'il faille modifier la convention de financement.

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

2.1.3.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”

Summary:

- The Steering Committee of PASAPE is responsible for validating results and has specific technical sub-committees that monitor the achievement of results 2&3 (TAP). In addition, the programme's indicators allow measuring results (Monitoring Report).
- For the PACICC the TAP mention a results-oriented implementation and the Monitoring Report proves that the indicators allow measuring results and impacts. However, the monitoring system for

the programme was not established in April 2009.
Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE) FED/2007/018-833
TAP – October 2007
p. 13 Un Comité de pilotage sera mis en place pour superviser et approuver l'orientation et les grandes lignes d'action du PASAPE. Ce comité supervisera l'ensemble du programme et sera donc responsable de valider les résultats atteints et de déterminer les principaux axes de travail pour la période suivante. Ce comité qui sera présidé par l'ON assurera, à partir de réunions semestrielles, et/ou ad hoc, le suivi de la mise en œuvre du PASAPE sur la base des indicateurs de performance mentionnés dans les cadres logique du programme. (...)Des sous-comités de pilotage plus spécifiques sont prévus pour assurer une mise en œuvre satisfaisante et un suivi plus proche des activités du résultat 2 (avec trois collèges: opérateurs privés, public et opérateurs bancaires) et du résultat 3 compte tenu de leur caractère très technique. Les sous-comités créés devront rapporter régulièrement au Comité de Pilotage qui demeure le principal organe d'orientation et de supervision de l'exécution du PASAPE.
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Monitoring Report – April 2010
Pertinence & Qualité Ce sont des indicateurs de résultats mesurables (outcomes), et pas seulement d'activités (inputs/outputs).
PROGRAMME D'APPUI AU CICC - FED/2007/020-754
TAP – May 2007
p. 18 L'exécution du programme se fera conformément aux résultats escomptés et aux activités présentées dans le cadre logique.
Monitoring Report – April 2009
Pertinence & Qualité La relation entre les activités et les quatre résultats attendus est sans ambiguïté. L'Unité de Gestion de Projet (UGP) utilise le cadre logique qui est particulièrement détaillé mais ses concepteurs ont confondu les activités à mettre en œuvre avec des Indicateurs Objectivement Vérifiables (IOV). Les quelques IOV présentés sont appropriés et clairs et permettront, s'ils sont effectivement suivis, de quantifier la contribution du Programme à l'augmentation des productions et des rendements.
Efficiences à ce jour : Le dispositif de suivi-évaluation n'est pas encore mis en place.

2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

Summary:
<ul style="list-style-type: none">A variety of actors has been involved in the project design including the identification of the most suitable implementation modality.
Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE) FED/2007/018-833
Fiche d'identification – June 2006
p. 3 ...les domaines porteurs susceptibles de dynamiser l'économie nationale, en concertation avec les autorités et les opérateurs économiques et pour identifier aussi les modalités de mise en œuvre les plus adaptées à la situation Camerounaise.

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

Summary:
<ul style="list-style-type: none">The decentralised management as applied in the PACICC encourages institutional capacity development and is judged to be appropriate (Monitoring Report).The modalities for project management (decentralised management) of the PASAPE are not appropriate to the changes within the trade sector and a budget approach would have been more suitable.
PROGRAMME D'APPUI AU CICC - FED/2007/020-754
Monitoring Report – April 2009
Pertinence & Qualité Le renforcement institutionnel est encouragé par la structure organique classique des Programmes FED. La gestion est décentralisée, ...
Aspects horizontaux Les Modalités d'Exécution du Projet sont appropriées et classiques des programmes FED (Régie directe).
Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE) FED/2007/018-833
Monitoring Report – April 2010
Efficiences à ce jour Au-delà d'un manque éventuel de moyens de la Cellule de Gestion et du manque de réactivité des bénéficiaires (élaboration des TdR), les modalités de gestion du projet ne cadrent pas avec les exigences de souplesse et les rythmes liés à l'évolution du secteur du commerce : certainement une approche budgétaire aurait été mieux adaptée.

2.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

Summary:

- UNIDO was chosen as an implementing partner for the PASAPE based on its experience in specific trade issues such as quality control, investment promotion and the relevant capacity building measures
- UNCTAD implements the PAPMOD-component « Synodia » due its specific technical expertise.

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L'ONUDI a été choisi comme partner dans l'exécution de ce programme puisqu'il dispose d'une grande expérience et d'un savoir faire en matière de développement et de mise à niveau d'entreprises et de support au contrôle de qualité de biens manufacturés ou de produits agro- industriels aussi bien dans les pays MEDA que dans les pays de l'Afrique de l'Ouest. L'ONUDI fournira, pour la gestion des volets qui lui sont confiés, le support d'un spécialiste placé auprès de ses bureaux à Vienne (service de renforcement des capacités productives et commerciales assisté par le service recrutement et le service des contrats), la contribution et l'implication directe de plusieurs services techniques (service agro-industrie, service promotion des investissements et de la technologie, bureau de promotion des investissements à Paris, service du développement du secteur privé) et d'appui de l'ONUDI aussi bien à Vienne que sur le terrain (bureau du DG, service de l'évaluation, service Afrique, représentant de l'ONUDI au Cameroun). Ces services comportent une contribution directe qui sera couverte directement par le budget de l'ONUDI pendant la durée d'exécution du projet estimée à environ: 20 hommes x mois.

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Le projet sera mis en œuvre en gestion décentralisée partielle via la signature d'une convention de financement avec le Cameroun. Une partie de l'action sera néanmoins réalisée via la signature d'une convention de contribution avec la CNUCED (Conférence des Nations Unies sur le Commerce et le Développement) pour la mise en œuvre des activités relatives au Sydonia, cette organisation internationale étant la seule à pouvoir assurer cette évolution technologique. Celle-ci fournira un expert à temps plein chargé du Sydonia. Les procédures appliquées seront celles des Nations Unies, selon l'accord-cadre entre les NU et la CE (FAFA). Cette convention (qui représente 10 % du total de l'action) sera donc mise en œuvre en gestion conjointe.

2.3 EQ 3 - To what extent has the Commission’s TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

2.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

<p>Summary:</p> <ul style="list-style-type: none"> ▪ The ATF 2007 is mainly implemented via private entities from the banana sector. Therefore the management and priority setting is based on their needs. Activities related to cross-cutting issues are implemented via the the banana producers association (ASSOBACAM) (TAP). ▪ The ASSOBACAM and the implementing private sector entities have only an observer status in the project steering committee of the ATF 2007 (TAP). ▪ Authorities and the private sector were involved in the project design of the PASAPE in order to identify the most competitive sectors (Identification Fiche). In addition, the project steering committee, which is composed of private sector in civil society representatives, is responsible for the project monitoring and for defining the major orientations of the programme (TAP). ▪ Through a participatory approach private sector and civil society have been involved in the priority setting within PASAPE. The National Monitoring and Coordination Committee for EPA Negotiations played a major role in involving private sector and civil society in the design phase (Monitoring Report). However, after consultation with these actors, major changes have been made to the programme budget and the agreed activities, which hampered the full appropriation of the programme and could be a result of the insufficient representation of NSA in the committee (Monitoring Report). ▪ Furthermore, the PASAPE Steering Committee has only met once during the first two years of implementation. In general, the private sector and civil society seem to be not sufficiently represented in the context of the programme. The private sector is only slightly concerned by the programme’s objectives and only marginally included in the decision-making processes (Monitoring Report). ▪ In the PACICC, civil society representatives (from producers’ colleges) are part of the Steering Committee (TAP). The TAP state that within Component 1 of the PACICC, the CICC takes the role as a facilitator and supports the active participation of agricultural producers’ associations in the programming process for activities. However, the Monitoring Reports show that their low level of active participation is causing delays in project implementation. It has not been responded to their needs, what reduced their level of appropriation. The EAMRs emphasise the establishment of planning committees that analyse the needs of the banana producers and design the support measures. ▪ The PAPMOD is also equipped with a steering committee that includes private sector representatives (TAP).
<p>Cameroun ATF 2007- BAN/2007/019-434</p>
<p>TAP – December 2008</p>
<p>p. 12</p> <p>Les fonds alloués à l'ASSOBACAM seront exclusivement affectés aux actions d'intérêt transversal et serviront à financer une ou plusieurs des activités suivantes, selon les besoins exprimés par la filière au moment de la mise à disposition effective des fonds ATF 2007 au Cameroun.</p>
<p>p. 14</p> <p>Les activités éligibles seront mises en œuvre essentiellement par les sociétés bénéficiaires elles- mêmes, sans que la mise en place de moyens en personnel ou en équipements supplémentaires soit requise. Les investissements programmés au niveau des plantations et dans les domaines social et environnemental concernent essentiellement des travaux et des fournitures et occasionnellement des services. Un budget sera mis à la disposition de l'ASSOBACAM pour le financement des activités transversales qui lui</p>

incombent.
<p>p. 14</p> <p>Le Comité de suivi du programme, présidé par le MINEPAT et comprenant l'Assistance Technique et le Chef de la Délégation de la CE au Cameroun comme membres, l'ASSOBACAM à titre d'observateur (et éventuellement les opérateurs concernés par les sujets à titre d'observateurs) est chargé du pilotage global du programme; il a force de proposition collégiale et concertée à l'attention du Chef de Délégation. Le Chef de Délégation prend ses décisions soit en signant les procès verbaux de réunion du Comité de suivi, soit en notifiant formellement sa décision aux parties si elle intervient en dehors des réunions du Comité.</p>
<p>p. 15</p> <p>Le projet de contrat sera préalablement validé par le Comité de suivi, en dehors de la présence de l'ASSOBACAM. Le Chef de Délégation signera le contrat de subvention, sur proposition expresse dudit comité.</p>
<p>Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE) FED/2007/018-833</p>
<p>Fiche d'identification – June 2006</p>
<p>p. 3</p> <p>...les domaines porteurs susceptibles de dynamiser l'économie nationale, en concertation avec les autorités et les opérateurs économiques et pour identifier aussi les modalités de mise en œuvre les plus adaptées à la situation Camerounaise.</p>
<p>p. 4</p> <p>Une mission d'identification et une étude de faisabilité seront lancées, afin de d'identifier, en concertation avec les autorités nationales et les bénéficiaires, les secteurs productifs qui pourraient faire l'objet d'un appui pour en améliorer la compétitivité.</p>
<p>TAP – October 2007</p>
<p>p. 13</p> <p>Un Comité de pilotage sera mis en place pour superviser et approuver l'orientation et les grandes lignes d'action du PASAPE. Ce comité supervisera l'ensemble du programme et sera donc responsable de valider les résultats atteints et de déterminer les principaux axes de travail pour la période suivante. Ce comité qui sera présidé par l'ON assurera, à partir de réunions semestrielles, et/ou ad hoc, le suivi de la mise en œuvre du PASAPE sur la base des indicateurs de performance mentionnés dans les cadres logique du programme. Le Comité de Pilotage du PASAPE sera composé des représentants des ministères concernés par le PASAPE, du Parlement ainsi que du secteur privé et de la société civile. Pour faciliter la prise en compte des questions de genre dans l'exécution du PASAPE, une représentation féminine appropriée composera le comité de pilotage du projet.</p>
<p>Monitoring Report – April 2009</p>
<p>Pertinence & Qualité</p> <p>Le projet a été bien pensé en parfait accord entre la Délégation de la Commission Européenne (DCE) et le Comité National de Suivi et de Coordination des Négociations de l'APE (CNSCN) qui ont adopté une démarche participative en impliquant des acteurs importants (société civile, secteur privé...) de la vie économique dans l'identification des priorités nationales.</p>
<p>Pertinence & Qualité</p> <p>Les principales parties prenantes plus particulièrement le Comité National de Suivi et de Coordination des Négociations de l'APE (CNSCN) a participé dès le début à la conception du projet. Ce dernier, qui regroupe beaucoup d'organisations tels que le secteur privé et différentes autres organisations, a adopté une démarche participative en impliquant ses membres qui ont donné étalé leurs priorités à prendre en compte dans le document projet.</p>
<p>Monitoring Report – April 2010</p>
<p>Perinence & Qualité</p> <p>La conception et la préparation du PASAPE a fait l'objet d'une consultation généralisée de l'ensemble de ses partenaires : il semble cependant que le projet ait fait ensuite l'objet de modifications, en termes de budget et d'activités, sans une concertation suffisante avec tous les partenaires, dont certains avouent avoir été surpris par la forme finale du projet : ce flottement a pu nuire à son appropriation par les parties intéressées.</p> <p>Le Maître d'Oeuvre est le Comité National de Suivi et de Coordination des Négociations de l'APE</p>

<p>(CNSCN-APE), qui rassemble 32 organismes et institutions des secteurs public et privé liés au commerce, avec une faible représentation de l'entreprise et de la société civile.</p> <p>Un Comité de Pilotage est également prévu : il ne s'est réuni qu'une seule fois, en février 2010 (cf. 2. Efficience). La fragmentation institutionnelle, la multiplication des acteurs, au nombre desquels il convient d'ajouter la Cellule d'Appui à l'Ordonnateur National (CAON) et la Délégation de la CE (DCE), la séparation des rôles entre le CNSCN et le Régisseur, de même que la séparation de la gestion entre le MINEPAT et l'ONUDI, rendent le pilotage et la coordination du projet très incertains, voire improbables</p> <p>Le CNSCN est un Comité large, faiblement structuré et peu opérationnel. Les risques de retards, de complications et de conflits institutionnels, sur un projet de masse critique faible, sont considérables.</p>
<p>Efficienc e à ce jour</p> <p>... meilleure plateforme de concertation interinstitutionnelle "par le haut", et devrait s'attacher à jouer ce jeu.</p> <p>Le secteur privé et la société civile sont encore relativement absents du paysage.</p>
<p>Viabilité potentielle</p> <p>Le montage du projet l'empêche de s'ancrer réellement dans des structures institutionnelles locales: le CNSCN-APE, Maître d'Oeuvre, est une structure mouvante composée de 32 organismes sans cohérence ni ancrage propre. Le secteur privé n'est que très partiellement concerné, à l'heure actuelle, par les objectifs ciblés et par les activités proposées. Il n'est associé que de façon marginale au processus décisionnel. Le Ministère de l'Economie, de la Planification et de l'Aménagement du Territoire (MINEPAT), Maître d'Ouvrage (ON), ne joue un rôle qu'au travers du Régisseur du projet.</p>
<p>PROGRAMME D'APPUI AU CICC - FED/2007/020-754</p>
<p>TAP – May 2007</p>
<p>p. 7</p> <p>La mise à niveau des OPA (organisation et productivité) est assurée par un système d'Appui Rural Décentralisé Participatif (ARDP, dispositif itératif assurant le diagnostic et la programmation de la formation des OPA, des appuis matériels notamment en rapport avec l'amélioration de la qualité), animé par le Secrétariat Permanent du CICC.</p>
<p>p. 16</p> <p>L'exécution du programme sera pilotée par un Comité de Pilotage où seront représentés le maître d'ouvrage, Ordonnateur national du FED ; le maître d'œuvre, Ministère du Commerce ; la Délégation de la Commission Européenne en tant qu'observateur ; le Secrétariat Permanent du CICC ; les Ministères techniques compétents ; la société civile (les représentants des Collèges).</p>
<p>Monitoring report – April 2009</p>
<p>Efficienc e à ce jour</p> <p>La participation des partenaires semble très faible (en termes d'engagement, de communication ou de réactivité) et permet d'expliquer la faible progression du PACICC à 14 mois de son terme (31/05/2010).</p>
<p>Monitoring report – April 2009</p>
<p>Viabilité potentielle</p> <p>L'appropriation actuelle du projet par les bénéficiaires est difficile à estimer car rien de vraiment concret n'a encore été fait pour la satisfaction de leurs besoins. A ce jour, elle ne peut être constatée qu'au travers de leur participation active aux quelques séminaires auxquels ils ont assisté et par l'accueil favorable qu'ils ont réservé à l'Appui Rural Décentralisé Participatif qui leur a été présenté. En, effet ce sont les participants eux-mêmes qui ont défini leur besoin en appui (contenu des formations et équipements). Une participation financière de 50% du prix d'achat sera demandée aux OPA pour bénéficier des appuis en équipements. Cette contribution doit permettre d'améliorer leur appropriation du programme.</p>
<p>EAMR – February 2009</p>
<p>p. 26</p> <p>Les séminaires d'identification portant sur les besoins des producteurs ont été tenus dans les bassins de production. Ils ont contribué à l'élaboration du DP1, à la mise en place du Système d'Appui Rural Décentralisé et à la planification des activités d'appui aux producteurs. Les Comités de Planification des</p>

Appuis sont opérationnels : ils analysent les demandes des producteurs
EAMR – February 2010
p. 20 Depuis la mise en place du Système d'Appui Rural Décentralisé Participatif, les Comités de Planification des Appuis sont opérationnels. Les demandes des producteurs ont été vérifiées sur les 7 bassins de production. Ils vont permettre le lancement d'AO pour les matériels et formations demandés.
Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD) - FED/2009/021-375
TAP – October 2010
p. 13 Un comité de pilotage est mis en place pour superviser et approuver l'orientation générale et la ligne d'action du projet. Le comité de pilotage du projet se réunit deux fois par an. Le comité de pilotage du projet sera présidé par le Ministre des Finances et il est composé: du maître d'ouvrage et Ordonnateur National, le Ministère de l'Économie du Plan et de l'Aménagement du territoire; du maître d'œuvre délégué, la Direction Générale des Douanes; de la CEMAC; des Ministères techniques concernés; du Directeur de Projet; du régisseur; des représentants du secteur privé; de la Délégation de la Commission Européenne, en tant qu'observateur.

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

Summary:
<ul style="list-style-type: none"> ▪ Only France is intervening in the banana sector. It supports the CARBAP and thereby contributes to the ATF 2007 activities. ▪ The NAO as well as representatives from EU member states exchanged regularly regarding the development of the CSP and the identification of priority sectors (including competitiveness and trade facilitation).
Cameroun ATF 2007- BAN/2007/019-434
TAP – December 2008
p. 6 La France est le seul autre bailleur intervenant dans la filière : elle met à disposition un chercheur du CIRAD auprès du CARBAP et participe donc aux activités mentionnées ci-dessus.
Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE) FED/2007/018-833
EAMR – February 2007
Le processus de programmation du 10ème FED, lancé par le commissaire Louis Michel lors d'un séminaire régional à Brazzaville fin janvier 2006, pendant lequel un consensus s'est dégagé avec l'ON du Cameroun, s'est poursuivi pendant toute l'année dans des discussions à différents niveaux (incluant le gouvernement, les Etats Membres, les parlementaires et des représentants de la société civiles) sur les grandes orientations de la programmation. Sur base de la notification à l'ON le 7 juin 2006 de l'enveloppe indicative initiale de 190,8 M€, ce consensus s'est concrétisé par l'élaboration conjointe et la présentation en novembre 2006 à la "réunion pays" à Bruxelles d'un projet de Document de Stratégie Pays prévoyant deux domaines de concentration: (...) et l'intégration régionale et le commerce (intégrant le développement des infrastructures et le renforcement des capacités de production, et en mettant l'accent sur l'amélioration de la compétitivité et la facilitation des échanges commerciaux) (...)

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

<p>Summary:</p> <ul style="list-style-type: none"> ▪ The PASAPE Steering Committee is explicitly open to other donors intervening in the sector. The Monitoring Report emphasises that donor coordination is well considered in the project design. However, the Steering Committee has met only once in two years. ▪ For the PACICC, the monitor was not able to assess any information regarding the coordination between donors. ▪ Nonetheless, in general the EAMRs state that donors are regularly exchanging information within the Multi Donor Committee. This committee has a specific group for trade and private sector development. In addition, the EUD is in the lead for the trade sub-group. However, coordination remains on a formal level and targets mainly strategic decisions and less operational issues (PASAPE - Monitoring Report).
<p>Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE) FED/2007/018-833</p>
<p>TAP – October 2007</p>
<p>p. 13 Un Comité de pilotage sera mis en place pour superviser et approuver l'orientation et les grandes lignes d'action du PASAPE. (...) Le Comité sera aussi ouvert aux bailleurs intéressés par le domaine.</p>
<p>Monitoring Report – April 2009</p>
<p>Pertinence & Qualité Les aspects transversaux sont bien pris en compte dans la conception du projet notamment en ce qui concerne les aspects liés à l'environnement (qualité et normalisation) et la coordination entre bailleurs.</p>
<p>Monitoring Report – April 2010</p>
<p>Pertinence & Qualité Un Comité de Pilotage est également prévu : il ne s'est réuni qu'une seule fois, en février 2010 (cf. 2. Efficience).</p>
<p>Impacts attendus Il existe bien une complémentarité et une convergence de fait positive entre les différents bailleurs de fonds et entre les projets qu'ils organisent. Il existe également une coordination régulière de niveau décisionnel entre eux (CMB), mais qui reste formelle et d'ordre stratégique, et ne se traduit pas par des actions conjointes et opérationnelles sur le terrain.</p>
<p>PROGRAMME D'APPUI AU CICC - FED/2007/020-754</p>
<p>Monitoring Report – April 2009</p>
<p>Aspects horizontaux Le moniteur n'a pas eu la connaissance d'une collaboration / coordination du projet avec les autres contributeurs des filières cacao et café.</p>
<p>Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD) - FED/2009/021-375</p>
<p>TAP – October 2010</p>
<p>p. 8 Parmi les actions proposées, l'extension du Sydonia et la Formation Professionnelle appellent à une coordination avec l'ensemble des bailleurs de fonds et acteurs locaux. La coordination des bailleurs de fonds au Cameroun est structurée autour du Comité Multi Bailleurs (CMB), initié en 2003 et qui réunit une vingtaine de partenaires techniques et financiers. Dans l'esprit de la Déclaration de Paris sur l'harmonisation et l'alignement de l'aide (2005), le CMB a poursuivi sa structuration par la nomination</p>

d'un Président et un Secrétariat mis en place en 2007. Le CMB joue un rôle de facilitation de la coordination entre bailleurs à travers le partage d'informations et la formalisation de positions communes et ambitionne la mise en œuvre de projets conjoints. Le CMB est organisé en groupes sectoriels et thématiques. Un comité chargé des questions d'aide au commerce et développement du secteur privé (GEC pour groupe "économie et commerce") a été mis en place début 2007 à l'initiative de la DCE qui en est maintenant chef de file depuis le début de l'année 2009. La FIP du présent projet a été présentée au GEC tandis que les consultants ont présenté le rapport provisoire de la phase de formulation du présent programme devant le CMB.

Le GEC réunit régulièrement PTF et partenaires locaux et c'est dans ce cadre que la coordination des activités liées à l'extension de Sydonia et à la formation professionnelle pourra se faire.

GENERAL

EAMR – February 2009

p. 3

Les bailleurs se tiennent mutuellement au courant de leurs interventions respectives au sein du Comité Multi Bailleurs qui a été réorganisé et comporte plusieurs groupes sectoriels (finances publiques, commerce et développement du secteur privé, stratégie de réduction de la pauvreté, gouvernance et lutte contre la corruption, etc.). La délégation participe activement au CMB et à la plupart des groupes sectoriels.

EAMR – February 2010

p. 4

La DCE (...) est aussi chef de file des groupes Infrastructures et GEC (Economie et Commerce).

2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)

2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries

Summary:

- Only few donors are active in the fields of trade, competitiveness and private sector development in Cameroon. Therefore no sector approach has been developed yet but is now in the making. The PASAPE component targeting capacity development of enterprises could serve as the basis for donor cooperation in the sector.
- For the PACICC the monitor was not able to assess any information regarding the cooperation between donors.

Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)

FED/2007/018-833

Fiche d'identification - June 2006

p. 5

Très peu de bailleurs sont, à ce jour, impliqués dans les questions de compétitivité, de commerce et de développement du secteur privé. En dehors de la CE et la BM, un intérêt croissant apparaît à la SNV (coopération néerlandaise), GTZ (coopération allemande) et Agence Française de Développement (AFD). L'ONUDI est par ailleurs présent au Cameroun. Si une véritable approche sectorielle n'existe pas encore, des prémices apparaissent en vue de son élaboration. Le programme national de renforcement des capacités et de mise à niveau des entreprises élaboré dans le cadre de ce programme pourrait servir de plate-forme commune des bailleurs intervenant dans le domaine.

PROGRAMME D'APPUI AU CICC - FED/2007/020-754

Aspects horizontaux

Le moniteur n'a pas eu la connaissance d'une collaboration / coordination du projet avec les autres contributeurs des filières cacao et café.

2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

Summary:

- The PASAPE integrates into a larger regional approach of the EC for the improvement of sanitary standards. In addition, the PASAPE is in coherence with other ACP-wide and regional programmes and is the largest donor in this sector in Central Africa.

Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)

FED/2007/018-833

Fiche d'identification - June 2006

p. 5

Le présent programme est complémentaire du programme tous ACP « Amélioration de l'état sanitaires des produits de la pêche (Bénin, Togo, Cameroun) » qui prévoit de financer une partie de l'équipement du laboratoire d'analyse et d'expertise des produits d'origine animale et halieutique actuellement en cours de construction à Douala. L'étude de faisabilité prendra en compte la complémentarité de ces deux actions lors de l'examen des aspects de normalisation et de certification. Les conclusions des consultants seront retranscrites dans la PF. Le programme rejoint également d'autres actions mises en œuvre au niveau 'tous ACP' (Facilités APE et OMC, CDE et PRO€INVEST) et régional avec le Programme d'Appui à l'Intégration Régionale en Afrique Centrale (PAIRAC). Lancé en 2005 et doté d'une enveloppe de €16 millions, le PAIRAC prévoit certaines initiatives relatives à la normalisation et à la qualité dans sa composante sur le renforcement du marché commun en Afrique centrale. L'UE est donc le principal bailleur dans ce domaine. Ceci augure de l'attention particulière qui pourra être accordée aux thèmes de la

croissance, de la compétitivité et de l'intégration économique dans le cadre de la programmation du 10 FED tant au niveau national que régional.

2.4 EQ 4 - To what extent has the Commission's support contributed to an improved trade policy environment at national level?

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

2.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

Summary:

- The TAPs of the PASAPE emphasise the importance of the participation of the private sector in formulating a strategy for the trade policy negotiations (EPA) but recognises the necessity to build the private sector's capacity and to increase the common interest to collaborate on the issue.
- The EAMR recognises an insufficient capacity of coordination within the Government to integrate i.a. the private sector into the policy-making and negotiation process.

Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)

FED/2007/018-833

TAP – October 2007

p. 3

Le gouvernement camerounais s'est engagé à promouvoir un dialogue constructif et ouvert avec le secteur privé. Ce dernier doit accepter de mieux s'organiser pour pouvoir accroître la qualité de sa contribution à la formulation des politiques et stratégies de développement national susceptibles d'assurer une meilleure insertion du Cameroun dans l'économie mondiale. La volonté politique de voir réaliser l'ensemble des résultats du PASAPE est certaine. (...) l'intervention des parties prenantes en collèges suppose une forte concertation entre les groupements professionnels et les chambres consulaires en vue de faire émerger des positions consensuelles du secteur privé. En outre, la volonté de jouer le jeu de la transparence et l'engagement du chef de chaque entreprise ciblée sont déterminantes pour la mise à niveau des entreprises'.

EAMR – February 2010

p. 19

Manque de pro activité de l'administration. D'une manière générale ce projet rencontre des difficultés liées à une appropriation et un leadership encore insuffisant au sein du gouvernement; un manque de capacité d'absorption et de capacités institutionnelles; un montage intégrant plusieurs ministères et autres bénéficiaires (secteur privé principalement) dans un contexte caractérisé par une très faible coordination interministérielle. A cela s'ajoute des retards imputables aux luttes intestines au sein du gouvernement pour la conduite des négociations APE et du projet lui-même.

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

Summary:

- The PASAPE was designed on the basis of experiences from similar capacity building projects in Northern and Western Africa as well as the evaluations of trade negotiation support projects in Sub-Saharan Africa (TAP). UNIDO also prepared sectoral feasibility studies in beforehand of the programme design (EAMR). The monitoring report finds that the risks and hypotheses were correctly identified.
- The TAP of the PACICC identify various issues that limit the capacity of the relevant institutions to correctly fulfill their tasks (insufficient budget and weak mechanism to obtain contributions, human

resources and material etc.). The design of the PACICC was also oriented along previous diagnostic studies and the objectives and activities of the PACICC were formulated accordingly.

- The TAP of PAPMOD refer to previous diagnostic studies in the context of the Customs Modernisation Plan that lead to the formulation of an action plan as well as the outcomes of a World Bank expert mission in 2006. The project's TAP also identify major issues to be considered when implementing customs modernisation projects. Besides regulatory and organisational issues, the Project Fiche identifies cultural factors that hamper the modernisation of the customs system as well as a limited capacity e.g. in information technologies. However, since the EC has not implemented similar projects in Cameroon prior to the PAPMOD, the only orientation came from experiences of the FASTTRAC programme (Project Fiche).

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TAP – October 2007

p. 3

En outre, la CE bénéficie d'expériences qui ont été capitalisées dans les études de faisabilité du PASAPE. Il s'agit notamment de la mise à niveau des capacités productives à travers des programmes au Maghreb et en Afrique de l'Ouest. Comme le Cameroun, les pays de ces régions sont confrontés à une double contrainte: l'ouverture toujours plus grande des frontières avec une exposition accrue des entreprises nationales à la concurrence internationale et une forte pression démographique avec l'arrivée sur le marché du travail d'une population active de plus en plus jeune et nombreuse. Concernant l'appui aux négociations commerciales, les résultats des évaluations des projets financés par le FED dans de nombreux pays d'Afrique subsaharienne ont été utilisés comme éléments de référence.

Monitoring Report – April 2010

Pertinence & Qualité

Les handicaps de l'économie camerounaise et les risques encourus sont sérieux mais bien identifiés. Les résultats attendus répondent à ces handicaps et à ces risques

EAMR – February 2007

p. 9

Deux études de faisabilité ont été conduites, une par l'ONUDI - identifiée comme agence d'exécution sur les domaines de 'compétitivité et mise à niveau' et 'qualité et normalisation' - et une par un cabinet de consultance privé (contrat cadre).

PROGRAMME D'APPUI AU CICC - FED/2007/020-754

TAP – May 2007

p. 5

Le désengagement de l'Etat s'est traduit par la disparition des coopératives gérées par ce dernier. (...) Le manque de moyens financiers limite les actions du Secrétariat Exécutif, en particulier en direction du collège des producteurs qui devrait être la cheville ouvrière de la structure.

p. 6-7

Le CICC prend une partie active dans le renforcement des capacités et de la représentativité des différents collèges: (...). Actuellement sa capacité opérationnelle est limitée par la faiblesse de ses capacités en ressources humaines et en moyens d'appui. En effet, la question du financement du CICC reste la pierre d'achoppement, son budget provenant actuellement d'un prélèvement sur les exportations au port de Douala, (...). Au sein des 4 collèges, ce sont les producteurs et leurs Organisations Professionnelles Agricoles (OPA) qui restent le véritable levier potentiel pour l'amélioration de la filière. En effet, l'emprise du CICC, sur les producteurs potentiels ne touche encore qu'environ 20% des exploitations: sa marge pour rallier de nouvelles organisations de producteurs aux collèges provinciaux est très importante mais elle suppose un renforcement de ses moyens en ressources humaines et matérielles pour développer sa notoriété dans les bassins de production (...). Actuellement, le niveau d'affiliation et d'organisation des structures de base ne permet pas encore un versement régulier et suffisamment important des contributions aux collèges provinciaux (de 40 000 à 60 000 FCFA/an par fédération affiliée, selon les montants arrêtés par chaque collège) pour que ceux-ci soient à même de faire face à leurs tâches (organisation des marchés, des réunions, collecte et diffusion des informations statistiques).

p. 9-10

Des études de faisabilité du secteur ont été menées dans les dernières années, notamment:

- Etude-diagnostic du CICC et de son environnement institutionnel et socioprofessionnel (SOFRECO, décembre 2001)

- Etude d'opportunité d'appui des ressources Stabex au CICC (CIBLE, mars 2005).

Les études, sur base d'enquêtes et d'entretiens auprès des acteurs des filières, mettent en évidence les objectifs généraux qui doivent être assignés au CICC (...)

Pour atteindre ces objectifs, le CICC a besoin d'être renforcé par le recrutement d'agents supplémentaires (...) Ces études rappellent également le rôle de l'ONCC ; le décret n0971142 du 25 août 1997 précise qu'il est chargé, en tant qu'établissement public, (...)

Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD) - FED/2009/021-375

TAP – October 2010

p. 4

Les résultats des diagnostics effectués dans le cadre du plan de modernisation de la douane élaboré par les autorités du pays partenaire en 2004 ont abouti à l'établissement d'un plan d'action en sept points:

- Réaménagement des procédures et méthodes de travail.
- Réduction des coûts et délais de passage des marchandises par la prise en compte des exigences de célérité dans les opérations de dédouanement.
- Modernisation des méthodes de gestion des moyens.
- Lutte contre la corruption
- Mise en œuvre de nouvelles technologies pour faciliter et accélérer le dédouanement.
- Promotion du rôle de la douane comme acteur essentiel de la protection de l'espace économique national.
- Développement du système de communication à usage interne et externe.

En 2006, une mission d'expertise de l'organisation mondiale des douanes reprenait ces actions sous la forme de recommandations en y adjoignant la nécessité de développer une politique de contrôle interne et en insistant sur la nécessité de finaliser l'implantation du système informatisé de dédouanement (SYDONIA) en cours de déploiement sur les sites douaniers de Douala.

p. 6-7

Le présent projet tient compte des difficultés expérimentées lors de la mise en œuvre des quelques actions du plan de modernisation réalisées à ce jour, en particulier lors de la phase de lancement de Sydonia. Cette phase a mis en lumière les éléments suivants:

- Nécessité d'opter pour une formation, impliquant tant les douaniers que les opérateurs économiques, régulièrement renouvelée et élargie à l'environnement réglementaire et procédural traduit en processus informatiques,
- Évaluation et contrôle de l'utilisation du système pour éradiquer les points de blocage (contrôle de l'exécution du service et audit interne),
- Extension du système SYDONIA à toutes ses fonctionnalités car des gestions manuelles très approximatives subsistent au niveau de la prise en charge, du transit ou lors de l'identification comptable des restes à recouvrer,
- Nécessité d'associer régulièrement les responsables de haut niveau des professions partenaires (l'information pourtant régulièrement dispensée à ces acteurs peine à remonter au niveau des managers).

Les formations initiales n'ont pas été renouvelées en dépit d'une rotation incessante des personnels et bien que le site douanier de Douala soit doté de salles informatiques dédiées à la formation.

Fiche d'identification – March 2009

p. 4-5

Le fonctionnement des douanes camerounaises a fait l'objet de nombreuses missions d'audit internationales ciblées, dont plusieurs du FMI, qui effectue actuellement une mission technique et d'audit au niveau de la DGD.

Globalement, il avait été constaté:

- Un déficit dans l'élaboration d'indicateurs de performance et de résultat permettant, depuis l'administration centrale, le pilotage des services et l'éventuel recadrage de leurs actions.
- Des moyens matériels et des conditions de travail fortement dégradées
- Une faiblesse de la formation initiale des agents d'encadrement, l'absence de toute formation pour les catégories inférieures ; ainsi que d'une formation/remise à niveau au cours de la carrière.
- Une faible accessibilité de la réglementation, éparse, souvent ancienne ne disposant pas d'un processus efficace de diffusion.
- Un déficit dans la politique de facilitation et de sécurisation des échanges aggravé par le manque de transparence des réglementations et procédures applicables.
- Une approche partenariale secteur privé/secteur public trop timide.

La mise en œuvre du plan de modernisation a permis de répondre à un certain nombre de ces faiblesses.

L'analyse du cadre de mise en œuvre de ce plan a mis en lumière les principales difficultés à surmonter tant au plan « culturel » qu'organisationnel. Au plan culturel, une part importante de l'encadrement intermédiaire s'inscrit délibérément dans la résistance au changement en s'efforçant de maintenir des pratiques douanières laissant le champ libre à l'arbitraire et donc à la « négociation ». Ces comportements individuels se doublent d'une organisation administrative fortement cloisonnée au sein de laquelle l'information est retenue par le service qui la détient. Le résultat individuel est encore trop recherché en négligeant la performance collective. Cette situation est encore aggravée par un déficit criant de formation qui touche aussi bien la maîtrise de l'outil informatique que l'actualisation des connaissances réglementaires. Les dispositions régissant les règles d'origine au sein de la CEMAC et davantage encore celles réglant à court terme le statut fiscal des flux avec l'UE sont totalement ignorées.

Pour autant, une réelle évolution est en cours. La mise en service d'un premier panel d'indicateurs qui, pour être perfectibles, n'en révèle pas moins la volonté de la Direction Générale d'asseoir sa politique managériale sur des données objectives, et la volonté forte exprimée par les cadres dirigeants de l'administration d'alléger le poids des formalités douanières, conduisant à conclure à la réelle capacité du partenaire à s'approprier le projet et à le conduire à son terme

p. 5

La démarche stratégique de la Commission repose sur l'analyse des diagnostics réalisés dans le cadre du Plan de réforme des douanes camerounaises et l'identification des actions en appui à l'intégration régionale et à la mise en œuvre des dispositions douanières de l'APE, notamment en termes d'adaptation aux règles d'origine CEMAC/APE.

p. 5

Il n'y avait pas de projets identiques sur le 9ème FED au Cameroun. L'analyse des enseignements à tirer de projets précédents s'est donc limitée principalement au projet FASTRAC.

2.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

Summary:

- The Monitoring Report 2009 of the PACICC states that neither any of the results nor specific objectives have been achieved until that date. This can be interpreted in a way that CICC's (a public trade-related institution) services have not been improved.

PROGRAMME D'APPUI AU CICC - FED/2007/020-754

Monitoring Report – April 2009

Impact attendus

Sans résultats obtenus ni objectif spécifique atteint à ce jour, on ne peut que spéculer sur la contribution du PACICC à l'Objectif Global qui reste encore purement théorique. Néanmoins, l'on peut estimer qu'à l'instar de programmes précédents dont ses concepteurs se sont inspirés, et si tout est mis en œuvre comme prévu, le PACICC participera au développement des filières cacao et café et à la lutte contre la pauvreté.

2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

2.4.2.4 I 4.2.4 Changes of ‘customer’ satisfaction related to the output produced by trade-related public institutions

2.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

2.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations

2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations

2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

2.5 EQ 5 - To what extent has the Commission's TRA to trade facilitation contributed to reducing trade-related transaction costs?

2.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

2.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced

2.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

2.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

2.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)

2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)

2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

2.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

2.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

2.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

2.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

2.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

2.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

Summary:

- Within the ATF 2007, projects that aim at the adoption of standards such as ISO, EUREPGAP etc. are eligible for funding (TAP). The directly profiting institutions are also certified by ISO 14000 and 9000, EUREPGAP and HACCP in beforehand of the programme implementation (TAP)
- The Monitoring Report (2010) of the PASAPE states that the UNIDO-component did not yet produce significant results in terms of normes and quality standards.

Cameroun ATF 2007- BAN/2007/019-434

TAP – December 2008

p. 11

Parmi les mesures environnementales éligibles: l'amélioration des méthodes de traitement phytosanitaire et la recherche/développement de solutions adaptées (en étroite collaboration avec le CARBAP et d'autres centres de recherche); le recyclage des eaux usées et des emballages, ficelles et plastiques liés à la production; la sécurité (traçabilité, diagnostics, etc.) sanitaire et alimentaire du produit; la préservation globale de l'environnement par une agriculture raisonnée et respectueuse de l'homme et de son environnement, la mise aux normes socio-environnementales internationales telles que les normes ISO, EUREPGAP ou tout autre référentiel socio-environnemental imposé par les importateurs et consommateurs en matière de conditions sociales et environnementales de production, de sécurité alimentaire du produit ou d'éthique de la production, y compris les études ou recherches de solutions adaptées.

p. 12 - 13

Parallèlement aux activités environnementales prévues dans le présent programme, les trois sociétés bénéficiaires sont actuellement certifiées pour les normes EUREPGAP et HACCP; les deux plus importantes sont également certifiées ISO 14000 et ISO 9000 (normes internationalement reconnues en matière de respect de l'environnement et des conditions sociales de la production, de qualité et de sécurité alimentaire du produit, et de qualité du process).

**Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)
FED/2007/018-833**

Monitoring Report – April 2010

Efficacité à ce jour

La Composante 3, entièrement prise en charge par l'ONUDI, devrait pouvoir aboutir à des résultats

significatifs en matière de normes et de contrôle de qualité. L'ONUDI devra cependant faire l'effort de s'ouvrir aux autres partenaires liés au volet "FED".

2.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

Summary:

- Under the ATF 2007, funding is eligible for various infrastructure projects that contribute to an improved quality of fruits. GIS systems and hardware are also eligible as they contribute to a better tracability and better adherence to international norms and quality standards (TAP).

Cameroun ATF 2007- BAN/2007/019-434

TAP – December 2008

p. 9

La création de nouvelles stations sera également envisageable et éligible. Seront enfin éligibles l'acquisition et l'installation de quais de chargement pour optimiser les manutentions en station et limiter les risques d'accidents pour le personnel et pour les chargements de fruits. Cet investissement devrait permettre une amélioration globale de la qualité des fruits, une diminution des réfections commerciales et une meilleure valorisation de la production.

p. 11

Systèmes d'information géographique logiciels et matériels informatique, cartographique et topographique pour améliorer le suivi et la traçabilité historique et géographique du produit et de l'itinéraire de production, conformément aux normes internationales en vigueur en réponse aux attentes de sécurité alimentaire et de respect de l'environnement des consommateurs.

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies

2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies

2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 JC 6.4 - Cost of compliance reduced

2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance

2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

2.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

2.7.1 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

2.7.1.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

2.7.1.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

2.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

- 2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government**
- 2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations**

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

- 2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements**
- 2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns**
- 2.8.2.3 I 8.2.5 - Availability of quality investors' information/guides**

2.8.3 JC 8.3 Improved access to trade finance

- 2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed**
- 2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)**

2.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

- 2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors**
- 2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors**
- 2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).**

Summary:

- The TAP of the ATF 2007 reveal the success of previous ATFs in their support to the banana sector. These improvements include increases in productivity, improvements in working conditions, better tracability and respect of international normes, improvements of the social and environmental conditions etc.
- It is also in the TAP to the ATF 2007 that the EC expects that the improvement of packaging stations and other infrastructure contributes to a better respect of international norms and facilitate a better matching of market requirements. Cooling equipment and 'cableways' are also expected to contribute to this goal.
- The EAMR states that major changes in the quantity of harvested and exported banana are not linked to EC intervention but result from wether conditions and changes in the plantation techniques.

Cameroun ATF 2007- BAN/2007/019-434

TAP – December 2008

p. 5-6

Le support financier fourni par l'Union Européenne à la filière a permis d'améliorer significativement la productivité agricole des trois seules sociétés bananières installées au Cameroun (...). Par les subventions communautaires ATF et sur leurs fonds propres les 3 sociétés ont procédé et procèdent encore progressivement à la reconversion variétale de l'ensemble de leurs superficies (variétés plus productives, de meilleures résistances aux maladies, de pseudo-troncs plus courts, de meilleure tenue des fruits), à la mise en place du haubannage aérien pour minimiser l'impact des tornades, au passage progressif à l'irrigation sous frondaison (meilleure valorisation des eaux d'irrigation) et à la création/électrification des stations de pompes d'eau, à l'amélioration du conditionnement par la modernisation/création de stations d'emballage et des installations de mise en froid, à l'installation de cableway améliorant la qualité des fruits tout en diminuant la pénibilité du travail, à la création/extension du réseau de drainage des parcelles et à la réfection/création de pistes et ponts pour améliorer la circulation des engins dans les parcelles de plantations. De meilleures conditions de production et de traçabilité du produit, (...), a permis aux sociétés d'être agréées aux normes internationales en vigueur (Eurepgap, HACCP, ISO 9 000 et 14 000) garantissant des conditions de production responsables vis-à-vis des hommes et du milieu naturel.

p. 6

Grâce au programme ATF, la filière bananière a développé ses activités et amélioré les conditions sociales et environnementales de la production, pour le plus grand intérêt des populations, de la stabilité sociale et politique et du développement économique du Cameroun.

Les premiers résultats obtenus doivent être renforcés pour garantir durablement la compétitivité et le développement de la filière dans un contexte commercial stable et déterminé. La pérennité de cette activité est désormais étroitement liée à l'évolution des conditions d'accès au marché, alors que la productivité doit être maintenue au plus haut niveau par la poursuite de la stratégie d'investissement mise en œuvre avec le soutien de l'UE.

p. 9

Les plantations sont équipées de stations d'emballage permettant la palettisation sur place. Ces stations, construites il y a plusieurs années pour la plupart, nécessitent une modernisation et une adaptation permanente aux nouvelles techniques, aux nouvelles exigences du marché et aux nouvelles normes en vigueur pour maintenir les certifications, les référencements, et, pour certaines, en vue de leur équipement en 'cableway'. Les avantages de la modernisation des stations d'emballage sont les suivants: meilleur contrôle sanitaire, amélioration de l'ergonomie des postes et des conditions de travail, meilleure organisation des tâches, mise en place de système d'épuration ou de recyclage des eaux usées et donc économie en eau, meilleure traçabilité et sécurité alimentaire du produit, gestion optimale de la sécurité et des risques de la production bananière pour les employés et pour l'environnement. Cet investissement participe donc aussi à l'amélioration des conditions socio-environnementales de production.

(...) Seront enfin éligibles l'acquisition et l'installation de quais de chargement pour optimiser les manutentions en station et limiter les risques d'accidents pour le personnel et pour les chargements de fruits. Cet investissement devrait permettre une amélioration globale de la qualité des fruits, une diminution des réfections commerciales et une meilleure valorisation de la production. En outre, les quais améliorent l'ergonomie et la sécurité et facilitent le travail des manutentionnaires en stations d'emballage, participant au maintien des certifications aux normes en vigueur.

p. 10

Equipements de mise en froid des fruits au port ou en plantation (pour améliorer la qualité des fruits, leur durée de vie verte et la gestion des délais et de la logistique en rapport direct avec les attentes du marché): la gestion optimale des délais de mise en froid, associée à une logistique terrestre inter-plantations adaptée, permettra d'augmenter globalement la qualité de l'offre et son adéquation aux attentes du marché, en limitant les risques de mûrissement précoce des fruits au cours du transport et les réfections commerciales correspondantes.

p. 10

Fourniture et pose de réseaux de 'cableway' (pour faciliter le transport des régimes depuis les champs vers la station d'emballage et accessoirement le transport des intrants de la station aux champs): cet investissement a pour objectif majeur l'amélioration de la qualité des fruits à l'entrée en station, par la réduction des chocs et grattages dus au transport par remorques sur des pistes chaotiques.

EAMR – February 2008

p. 18-19

A noter que l'évolution négative récente (par rapport à 2003) des exportations de bananes camerounaises, malgré les programmes de soutien de la CE, est liée au développement d'un système de rotation culturale

avec jachères, simultanément dans les deux plus grosses sociétés de plantations au Cameroun que sont les PHP et la CDC, ceci afin de réduire le parasitisme. L'augmentation record des tonnages exportés en 2003 par le Cameroun avait résulté de conditions climatiques exceptionnelles, de la replantation et de la reconversion variétale massive des surfaces en 2001 et 2002, qui ont alors permis de faire deux récoltes en douze mois sur les parcelles concernées, ce qui n'intervient qu'aux premiers cycles d'une plantation. La signature en décembre 2007 de l'accord d'étape vers l'APE entre le Cameroun et l'UE semble avoir éclairci l'horizon bananier et la filière a renouvelé auprès du Gouvernement son engagement à développer la production pour l'amener au 400.000 T prévus dans la stratégie nationale.

Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)
FED/2007/018-833

Monitoring Report – April 2009

Impacts attendus

Par contre, en ce qui concerne les composantes relatives à l'amélioration de la compétitivité et à l'appui à la normalisation et à la qualité, on s'attend à des effets positifs notables au sein des entreprises cibles (15 pour la mise à niveau et 18 pour la qualité) et surtout à un climat des affaires plus favorable grâce à l'amélioration du cadre stratégique (élaboration de la stratégie nationale de compétitivité, mise en place du guichet unique...) et à la présence d'acteurs (entreprises, chefs d'entreprises, ministères cibles, consultants...) aux compétences renforcées.

2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

2.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

Summary:

- In the TAP of the ATF 2007 it is referred to the success of previous programmes in supporting the three major banana producers and thereby supporting their 11.500 employees. It is specifically referred to the high rate of women working on the plantations and the fact that revenues from the plantations also benefit the women.
- In the Project Fiche of the PAPMOD reference is made to the fact that 20% of employees in customs are women and that they will benefit from the programme. The same is said to be valid for the final beneficiaries in the private sector where a large number of entrepreneurs are women.

Cameroun ATF 2007- BAN/2007/019-434

TAP – December 2008

p. 5

Le support financier fourni par l'Union Européenne à la filière a permis d'améliorer significativement la productivité agricole des trois seules sociétés bananières installées au Cameroun sur 6.640 ha exportant entre 256.000 et 300.000 tonnes de bananes par an et employant 11.500 personnes.

p. 13

Le pourcentage de femmes parmi les salariés des plantations de bananes, et ilus particulièrement dans les stations d'emballage, a toujours été très élevé. Les femmes sont recherchées pour leur rigueur et leur habilité aux tâches les plus fines lies que la découpe, la sélection des fruits ou encore l'habillage, le comptage ou le marquage des régimes, Tandis que la récolte, qui demande résistance et force physique, est traditionnellement réservée aux hommes. Les revenus distribués par les sociétés de plantation ne bénéficient donc pas exclusivement aux hommes.

Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD) - FED/2009/021-375

Fiche d'identification – March 2009

p. 3

Par ailleurs, l'intégration des femmes dans l'administration douanière est une réalité et représente 20% des effectifs. Celles-ci seront donc directement bénéficiaires des activités menées par le projet, notamment en matière de formation. De plus, les bénéficiaires finaux que sont les entrepreneurs présentent une proportion non négligeable de femmes regroupées en associations.

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

Summary:

- As stated in the TAP of the ATF 2007, improvements in infrastructure (transport, production, quality, sanitary etc.) will contribute to ensure good and safe working conditions, environmentally safe production, prevention of accidents and other threats to workers' health etc. Thus, the programme is expected to outweigh the possibly negative effects of an increased production and to actively promote good social and environmental standards.
- The Monitoring Reports of the PASAPE clearly state that the programme is of a purely economic nature and does not specifically target any gender-related issues and has not « gender »-strategy. This is criticised in one Monitoring Report (2010) since women play an important role at each level in local and international trade and it could have helped to increase the potential impact of the programme.
- The Monitoring Report of the PACICC states that the programme perfectly matches the needs of Small producers whose productivity and competitiveness need to be improved. The PACICC specifically included gender aspects in the programme design since women play an important role in

<p>professional associations and both agriculture and commercialisation of coffee and cocoa (TAP). The Monitoring Report confirms this orientation towards a strong inclusion of gender aspects.</p> <ul style="list-style-type: none"> ▪ In coherence with the plan to modernise the customs system, the PAPMOD directly addresses the issue of corruption (Project Fiche)
Cameroun ATF 2007- BAN/2007/019-434
TAP – December 2008
<p>p. 5</p> <p>Par les subventions communautaires ATF et sur leurs fonds propres les 3 sociétés ont procédé et procèdent encore progressivement (...) à l'installation de cableway améliorant la qualité des fruits tout en diminuant la pénibilité du travail, (...). (...), le respect de l'environnement et des conditions de travail du personnel par divers investissements liés à une utilisation raisonnée et sécurisée des pesticides (dont notamment la mise en place de vestiaires, la distribution de tenues de traitement, douches, lave-yeux), l'amélioration des postes de travail et du transport, a permis aux sociétés d'être agréées aux normes internationales en vigueur (Eurepgap, HACCP, ISO 9 000 et 14 000) garantant des conditions de production responsables vis-à-vis des hommes et du milieu naturel.</p>
<p>p. 11</p> <p>Les activités à mener relèveront de l'amélioration des conditions de travail (ergonomie, de transport (autobus, remorques adaptées, etc.), de logement, de sécurité, d'hygiène (vestiaires, sanitaires, cantines, etc.) et de santé des travailleurs (centres de soins, cliniques, prévention, etc.), de la formation du personnel (secourisme, incendie, applications phytosanitaires, etc), de la prévention des risques au travail (manutention et stockage des produits toxiques, etc.) des pandémies telles que le VIH ou le paludisme, d'une meilleure prise en compte du facteur humain dans la productivité de la main d'œuvre camerounaise et donc de la compétitivité de la filière toute entière.</p>
<p>p. 13</p> <p>En outre, la plupart des investissements dit productifs contribue directement à l'amélioration des conditions sociales de production en diminuant la pénibilité des tâches, en renforçant la sécurité et les conditions de travail des travailleurs, notamment:</p> <ul style="list-style-type: none"> ▪ le 'cableway' (système de transport mécanisé des régimes depuis le pied-mère jusqu'à la station); ▪ la mise aux normes des stations d'emballage et des lieux de stockage et de préparation des produits phytosanitaires et fertilisants (installation de cantines, de sanitaire, de vestiaires, de distributeurs d'eau potables, d'équipements de sécurité tels que laveurs d'yeux, douches de sécurité, vestiaires et lavoirs spécifiques aux équipements de traitement pesticide, sécurisation des installations électriques, potabilisation des eaux, de rinçage, amélioration de l'ergonomie dans les stations, etc.); ▪ l'habanage aérien (circulation des travailleurs facilitée à l'intérieur des parcelles).
<p>p. 14 – 15</p> <p>Depuis le démarrage du programme au Cameroun, la CE finance à 100 % les actions d'intérêt général pour la filière, notamment les actions sociales et environnementales conduites par les sociétés et toutes actions transversales, pour éviter que le développement de la productivité se fasse au détriment des conditions sociales et environnementales de production et encourager les bénéficiaires à s'inscrire ensemble dans une dynamique proactive d'amélioration continue des conditions de production, pour satisfaire aux standards internationaux les plus exigeants et accéder ainsi aux marchés les plus exigeants. Le coût élevé des investissements nécessaires pour mettre les sociétés de plantations aux normes et la perte nette que ces investissements constituent pour l'exploitation justifient leur financement à 100% dans le cadre d'un programme qui vise l'abaissement du prix de revient. En outre, le financement à 100% est expressément prévu dans le guide pratique des procédures contractuelles dans le cadre des actions extérieures (6.2.9) pour ces actions qui concernent la protection de la santé et des droits fondamentaux des populations. Il est toutefois intéressant de noter que, depuis le démarrage du programme, les sociétés bénéficiaires financent sur fond propres de nombreuses et importantes actions à caractère social et environnemental qui n'ont pu être pris en charge par les budgets limités du programme ATF (distribution de médicaments, de préservatifs, fonctionnement des centres de soins, cliniques et hôpitaux, équipements de protection individuelle, reboisement, éducation, ramassage des ordures dans les villages, assainissement, etc.).</p>
Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE) FED/2007/018-833
Monitoring Report – April 2009
<p>Aspects transversaux</p> <p>Ce projet concerne directement la coopération économique et l'aspect genre n'est pas pris en compte.</p>

Monitoring Report – April 2010
<p>Aspects transversaux</p> <p>Le projet ne présente pas stratégie "genre" spécifique.</p> <p>Dans son ensemble, il ne se prête pas à une telle stratégie, mais une attention particulière à cet aspect aurait pu être utilement portée à la situation des femmes dans les systèmes commerciaux et dans l'entreprise : études sur les femmes d'affaires ou leur position dans les entreprises, formations spécifiques, etc. (...) Les femmes jouent un rôle caractérisé et important dans le commerce local, régional et international à tous les niveaux : adopter une stratégie les concernant aurait permis de préciser davantage les contours socio-économiques des secteurs concernés, d'en saisir mieux les mécanismes et les enjeux, d'élargir le spectre social des acteurs du développement économique, et de renforcer ainsi l'impact potentiel du projet.</p>
PROGRAMME D'APPUI AU CICC - FED/2007/020-754
TAP – May 2007
<p>p. 11</p> <p>Le programme d'appui au CICC prend largement en compte ces aspects par l'intégration des femmes tant au niveau des GIC et Unions de GIC (structuration, gestion, organisation) qu'au niveau de leur rôle spécifique lors des diverses étapes du cycle du cacao et des cafés (de la plantation jusqu'à la commercialisation). (...) Les femmes camerounaises, traditionnellement impliquées dans l'agriculture et la commercialisation des produits agricoles ainsi que dans leur transformation, tirent profit de l'amélioration de la situation des filières cacao et cafés.</p>
Monitoring Report – April 2009
<p>Pertinence & Qualité</p> <p>Dans la politique de développement du pays, le secteur rural fait l'objet principal du document de Stratégie de Développement du Secteur Rural (SDSR). Contribuer au développement des filières du cacao et du café en renforçant de façon durable les organisations professionnelles agricoles (OPA) est une voie permettant de réduire la pauvreté. Sa réduction est parmi les priorités présentées dans la déclaration des Objectifs du Millénaire pour le Développement et dans le Document de Stratégie de Réduction de la Pauvreté (DSRP) finalisé par le Gouvernement en 2005. Le PACICC répond parfaitement aux besoins des bénéficiaires, qui sont principalement des petits producteurs, dont la productivité et la compétitivité doivent être améliorées.</p>
<p>Aspects transversaux</p> <p>Le PACICC prend largement en compte l'aspect "genre" par l'intégration des femmes tant au niveau des Groupements d'Initiative Commune (GIC) et des OPA, qu'au niveau de leur rôle spécifique lors des diverses étapes du cycle du cacao et du café. Les femmes camerounaises, traditionnellement impliquées dans l'agriculture et la commercialisation des produits agricoles ainsi que dans leur transformation, tirent parti de l'amélioration des filières cacao et café.</p>
Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD) - FED/2009/021-375
Fiche d'identification – March 2009
<p>p. 3</p> <p>En effet, le plan de modernisation s'attaque fortement à la lutte contre la corruption et la transparence.</p>

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

Summary:

- The Monitoring Report of the PACICC confirms that the support to professional organisations in the agricultural sector is a suitable means to contribute to poverty reduction.

Pertinence & Qualité

Dans la politique de développement du pays, le secteur rural fait l'objet principal du document de Stratégie de Développement du Secteur Rural (SDSR). Contribuer au développement des filières du cacao et du café en renforçant de façon durable les organisations professionnelles agricoles (OPA) est une voie permettant de réduire la pauvreté. (...) Le PACICC répond parfaitement aux besoins des bénéficiaires, qui sont principalement des petits producteurs, dont la productivité et la compétitivité doivent être améliorées.

2.9.3 JC 9.3 - TRA supported enforcement of ILO standards**2.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA****2.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards**

2.10 Further important findings/text extractions, not attributable to one specific indicator

Summary:

- The PASAPE is seen as a pilot project rather than having significant effects on the conduct of trade negotiations (Monitoring Report). The programme has been reduced and reflects the various hindering factors (low capacity of the administration etc.). A major problem of the programme is the fact that it is too strongly linked to the political agenda of the EC and does not provide neutral support.
- In addition, the design of the project was not adapted to the highly complex and dynamic process of negotiating the regional EPA. Therefore, only for Component 3 it is realistic that the objective will be achieved.
- The EAMR 2008 emphasises that the regular absence of the team of negotiators was a major obstacle, besides other, to getting the programme formulated and designed in the right way.

Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)
FED/2007/018-833

Monitoring Report – April 2010

Pertinence & Qualité

Les progrès qu'il peut induire sont certains, mais ne peuvent dépasser le cadre de modèles ou de réalisations expérimentales qui resteraient à développer à une plus grande échelle (échelle réelle) : la véritable réalisation des objectifs se situe au niveau des "hypothèses", à savoir la capacité du Gouvernement de mobiliser les ressources nécessaires pour assurer durablement la compétitivité de son économie. Le projet vient en appui, assez marginal, à cette capacité hypothétique. Les moyens matériels nécessaires à la mise à niveau des entreprises n'ont pas été prévus : le projet initial semble avoir sensiblement réduit ; le nombre d'entreprises soutenues est passé d'une soixantaine (20 dans l'étude de faisabilité) à 15 ; les fonds nécessaires au soutien pratique des entreprises sélectionnées n'ont pas été prévus.

Les risques et hypothèses sont correctement formulés, mais leur importance sous-estimée : le projet n'est pas en mesure de maîtriser l'ensemble des paramètres nécessaires à sa réussite. Sa viabilité est cependant rendue probable par l'engagement ferme et global du gouvernement, par la politique cohérente jusqu'à ce jour menée et par la convergence d'un nombre importants de projets engagés par l'UE et les autres bailleurs de fonds - pour peu que les réformes économiques et financières en cours soient menées à terme.

Enfin, le projet, étant donné sa faible masse, présente le défaut d'être trop directement lié au plan politique de la négociation de l'APE-UE. Il aurait certainement gagné à se confiner à un appui technique "neutre" à la compétitivité des entreprises et des institutions nationales. Sa dimension "politique" crée une contrainte et fixe des échéances de nature à le ralentir et à faire peser sur son exécution des conflits ou des malentendus extérieurs et inutiles. La négociation APE est soumise à des conditions qui ne concernent pas toutes le versant technique de la compétitivité.

Efficacité à ce jour

L'hypothèse de base, à savoir le déroulement normal et positif des négociations APE, constitue un lourd handicap pour le projet. L'APE est un accord régional (8 pays), dans lequel seul le Cameroun s'est engagé (accord d'étape). Cette dimension politique est bien trop massive pour un projet aussi réduit : il conviendrait de l'en dissocier et de resituer le projet sur ses bases purement techniques. Par ailleurs, l'accord APE accuse une rupture dans l'économie camerounaise entre les entreprises (capables) d'exportation et la grande majorité de celles qui ne le sont pas et ne sont pas prêtes de l'être. L'accord APE intérimaire a été signé sous la pression des premières (lobby de la banane...), qui bénéficieront directement des fonds d'appui à la compétitivité comme de l'ensemble des actions conduites. Les autres, les plus nombreuses, perçoivent plus de menaces que de promesses dans la mise en oeuvre de l'accord : il ne s'agit donc pas, à court terme, d'un projet fédérateur et mobilisateur. Cette division s'ajoute, à son détriment, à la fragmentation institutionnelle du projet.

En résumé : i) l'objectif de la Composante 1 ne sera pas atteint ; ii) la Composante 2 pourra au mieux donner lieu à la réalisation de modèles utiles et réutilisables à une plus grande échelle, à condition de s'en tenir à cet objectif réaliste ; iii) la Composante 3 pourra contribuer de façon significative à son objectif en matière de normes et de qualité, à condition que les activités s'exécutent désormais à un rythme normal.

EAMR – February 2008

p. 9-10

Pendant toute la phase de formulation du programme et de préparation du DP0, une difficulté majeure s'est présentée du fait que la responsabilité dans la formulation du programme avait été confiée à l'équipe nationale de négociation de l'APE. Or cette équipe a souvent été indisponible, du fait des négociations, pour discuter du programme. Les discussions ont souffert aussi des tensions et frustrations accumulées lors des négociations, et il y a eu une tentation d'instrumentaliser le PASAPE dans le cadre des négociations de l'APE. De plus, le changement de ministère responsable et de l'équipe technique a entraîné une inertie de plusieurs mois de l'administration.

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>		<i>TAP</i>	<i>ROM</i>
Cameroun ATF 2007	BAN/2007/019-434	Financing Agreement, TAP	
Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)	FED/2007/018-833	Financing Agreement, TAP, Fiche d'identification	Monitoring Report – April 2009 (MR-116065.02) Monitoring Report – April 2010 (MR-116065.02)
PROGRAMME D'APPUI AU CICC	FED/2007/020-754	Financing Agreement, TAP	Monitoring Report – April 2009 (MR-116069.01)
Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD)	FED/2009/021-375	Financing Agreement, TAP, Fiche d'identification	

3.1.2 EC documentation on trade-related assistance in the country

<i>Source</i>
External Assistance Monitoring Report - 2007
External Assistance Monitoring Report - 2008
External Assistance Monitoring Report - 2009
External Assistance Monitoring Report - 2010

3.2 Description of main EC intervention

3.2.1 Intervention no 1

Title: Programme d'assistance technique et financière au secteur bananier 2007 (Cameroun ATF 2007)

Budget: 4.260.000 € (FA), 4.141.900 € (CRIS)

Start and end date: 01/12/2008 – 31/12/2013

Objectives and expected results:

Overall objective:

Croissance économique, création d'emplois et réduction de la pauvreté dans les régions productrices de bananes. Genèse de recettes fiscales et amélioration de la balance commerciale pour l'ensemble du pays. Soutien de la poursuite de la politique nationale de libéralisation de l'économie et de la filière 'Banane'.

Specific objective:

La compétitivité des bananes du Cameroun d'exportation est améliorée de façon durable.

Expected results:

Les investissements qui se réalisent à travers le programme ATF (voir activités 2.3.) contribuent à l'atteinte des résultats suivants:

- a. prix de production moyen des bananes abaissé à la sortie des stations de conditionnement,
- b. conditions sociales et environnementales de la production améliorées,
- c. fonctions de l'association professionnelle efficacement exercées.

Component 1 - Investissements productifs dans les bananeraies, concernant la production des fruits, leur transport en plantation et leur conditionnement.

Prix de production moyen des bananes abaissé à la sortie des stations de conditionnement

Component 2 – Actions sociales et environnementales

Conditions sociales et environnementales de la production améliorées,

Component 3 - Appui à l'ASSOBACAM

Fonctions de l'association professionnelle efficacement exercées.

Activities:

Component 1:

Electrification et acquisition de générateurs : afin d'assurer le succès des activités mentionnées ci-dessous, notamment l'irrigation (stations de pompage) et la réhabilitation des stations d'emballage, les producteurs peuvent s'équiper de transformateurs et édifier des lignes électriques. Compte tenu des difficultés durables que connaît la Société Nationale d'électricité (AES - SONEL), il est prévu l'acquisition et le raccordement de générateurs électriques. La diminution des coûts énergétiques et d'entretien des matériels justifie amplement ces investissements. En outre, cet investissement participe à la réduction de l'impact de la production bananière sur l'environnement, des risques et nuisances en matière d'environnement et de sécurité liés à l'utilisation de puissants groupes électrogènes diesel.

Irrigation : en raison d'une pluviométrie déficitaire (de novembre à avril), le suivi rapproché des conditions hydriques des plantations et d'irrigation est indispensable. Les activités suivantes sont donc éligibles en matière d'irrigation:

- Installation et/ou extension et/ou modernisation des réseaux d'irrigation, permettant d'augmenter les rendements agronomiques, d'améliorer la qualité des fruits, et de gérer les récoltes en fonction des cycles de prix du marché.
- Reconversion de certains réseaux d'irrigation par aspersion sur frondaison, en irrigation sous frondaison. L'avantage est triple : diminution des quantités d'eau à fournir, moindre sensibilité des bananiers à la cercosporiose (moins d'application de fongicides), moindre demande en énergie de pompage.
- Diminution des coûts énergétiques de l'irrigation : remplacement de certaines stations diesel de pompage par des pompes électriques, extension du réseau d'irrigation par simple gravité et réhabilitation de réseaux anciens.

Cet investissement participe aussi à la réduction de l'impact de la production bananière sur l'environnement par la diminution des quantités d'eau pompées, par la moindre pression parasitaire et le nombre moins conséquent d'applications de produits phytosanitaires.

Drainage : la situation topographique et les caractéristiques physiques des sols dans certaines plantations nécessitent la mise en place de réseaux de drainage importants et onéreux. En terrain mal drainé, le système sous-terrain du bananier souffre d'excès d'eau et la plante ne peut donc pas exprimer son potentiel, réduisant les améliorations induites par d'autres investissements productifs. Compte tenu du caractère impératif du drainage des plantations, tous les travaux de drainage seront éligibles dans le programme d'ATF 2007, y compris les : frais de cartographie et de relevés topographiques préalables, ainsi que les travaux de drainage des parcelles antérieurement drainées, étant entendu que le rythme des replantations impose celui du renouvellement des drains. Les travaux de réhabilitations des surfaces

affectés par des accidents climatiques sont pris en compte. Par extension, les travaux de sous-solage seront également éligibles, compte tenu de leur caractère onéreux et de leur impact sur le rendement et la compétitivité. Un tarif forfaitaire de 1 000 €/ha devrait permettre de simplifier et de limiter la justification et le contrôle des dépenses à la seule vérification des surfaces effectivement sous-solées.

Production et achat de matériel végétal (y compris l'introduction de nouvelles variétés) : par le passé, les plantations camerounaises ont été plantées avec les variétés Poyo et Americani. Tous les producteurs ont entrepris un programme de reconversion vers les variétés Grande Naine et Williams, mais de nouvelles variétés sont proposées en plantations au fur et à mesure de l'avancement des travaux de recherche et de sélection. Il s'agit donc :

- de reconvertir les anciennes plantations (y compris celles qui ont déjà fait l'objet de reconversions antérieures) vers les variétés les plus récentes, plus productives, plus résistantes aux stress et attaques phytosanitaires, et plus adaptées aux conditions pédoclimatiques spécifiques;
- d'étendre les plantations actuelles sur de nouvelles terres, conformément à la stratégie nationale de développement de la filière bananière pour développer les volumes exportés et faire les économies d'échelle indispensables à l'amélioration de sa compétitivité;
- de réhabiliter les surfaces endommagées suite à des accidents climatiques.

Un budget forfaitaire de 1 000 €/ha ou de 0,5 €/plant, en reconversion ou en extension de surface (incluant vitroplants, intrants et main d'œuvre) sera appliqué pour limiter et simplifier la justification et le contrôle des dépenses à la vérification de la surface ou du nombre de plants effectivement plantés sur site. La subvention correspondante (80%) sera appliquée à ce budget, soit 800 € de subvention par ha. Les dépenses de modernisation et d'optimisation structurelle durable des pépinières seront également éligibles au financement ATF au prorata des dépenses réelles justifiées.

Equipements de transport des fruits, logistique et manutention, matériels, intrants et matériaux ('cableways', remorques, tracteurs, accessoires, camions-bennes, charriots élévateurs, sauterelles, ...): dans certaines plantations, le transport des régimes vers les stations d'emballage se fait par remorques et tracteurs. La mise en place de réseaux de 'cableways', là où la topographie le permet pour ce transport des régimes, a des avantages certains tels la diminution des écarts de triage (3 %) par moindre frottement des régimes, la baisse de la pénibilité du travail notamment au niveau du chargement et du déchargement, les meilleures couvertures et utilisation de la surface agricole utile (gain de 5 %), un coût d'entretien des pistes abaissé, la diminution des besoins en tracteurs et donc des coûts de fonctionnement. Là où la topographie ne le permet pas, d'autres solutions de transport peuvent être envisagées, telles que les remorques pendulaires tractées qui, en dehors de leur relative fragilité dans d'autres régions du monde, ont déjà démontré leur impact extrêmement positif sur la réduction des écarts de triage par grattages et sur la facilitation du travail. Ce type de remorques nécessite la création et l'entretien de pistes extrêmement régulières et planes, ainsi que le parc de tracteurs correspondant. Là où les conditions et les compétences locales ne permettent pas l'entretien et la réparation de ce type de matériel, le transport traditionnel par remorque à plat et tracteur sera maintenu et l'acquisition du matériel correspondant éligible.

Modernisation et création de stations d'emballage : les plantations sont équipées de stations d'emballage permettant la palettisation sur place. Ces stations, construites il y a plusieurs années pour la plupart, nécessitent une modernisation et une adaptation permanente aux nouvelles techniques, aux nouvelles exigences du marché et aux nouvelles normes en vigueur pour maintenir les certifications, les référencements, et, pour certaines, en vue de leur équipement en 'cableway'. Les avantages de la modernisation des stations d'emballage sont les suivants: meilleur contrôle sanitaire, amélioration de l'ergonomie des postes et des conditions de travail, meilleure organisation des tâches, mise en place de système d'épuration ou de recyclage des eaux usées et donc économie en eau, meilleure traçabilité et sécurité alimentaire du produit, gestion optimale de la sécurité et des risques de la production bananière pour les employés et pour l'environnement. Cet investissement participe donc aussi à l'amélioration des conditions socio-environnementales de production.

La création de nouvelles stations sera également envisageable et éligible. Seront enfm éligibles l'acquisition et l'installation de quais de chargement pour optimiser les manutentions en station et limiter les risques d'accidents pour le personnel et pour les chargements de fruits. Cet investissement devrait permettre une amélioration globale de la qualité des fruits, une diminution des réfections commerciales et une meilleure valorisation de la production. En outre, les quais améliorent l'ergonomie et la sécurité et facilitent le travail des manutentionnaires en stations d'emballage, participant au maintien des certifications aux normes en

vigueur.

Amélioration des infrastructures de traitement aérien (création de nouvelles pistes, boules de signalisation): le traitement phytosanitaire des plantations par avion est une technique indispensable, vu les méthodes de production et le niveau de productivité des plantations recherché. Pour améliorer l'efficacité des traitements aériens, il est prévu de rénover des pistes d'atterrissage, d'implanter de nouvelles stations de mélange de produits, d'améliorer les conditions de stockage des produits phytosanitaires et, le cas échéant, de financer l'acquisition d'avions de traitement. Cet investissement participe à la réduction de l'impact de la production sur l'environnement et sur la santé des employés, par la sécurisation des opérations de manutention, de stockage, de mélange et d'application des produits.

Création et/ou réfection majeure et durable des pistes et pants (travaux, matériaux d'apport, engins spécifiques, citernes tractées, etc.): la bonne circulation des fruits, du personnel et des intrants au sein de la plantation est capitale. Elle contribue au parfait contrôle des opérations en tous points de la plantation, à la qualité des fruits livrés en stations et à la récolte complète des fruits en tous points, et donc au rendement exporté. Les opérations d'entretien courant des voies de circulation existantes ne seront pas prises en compte au titre du présent programme.

Valorisation des jachères / jachères cultivées / rotations de cultures: certaines exploitations effectuent des jachères périodiques pour réduire la pression parasitaire tellurique, y compris la replantation des bananeraies. Certaines souhaitent valoriser ces jachères en y cultivant d'autres plantes non hôtes des parasites spécifiques à la banane. Ces cultures apporteraient un revenu complémentaire et seraient source de diversification et de sécurisation du revenu des sociétés de plantations. En outre, ces cultures garantiraient le parfait entretien des jachères, qui assurent l'assainissement effectif des sols avant replantation et l'économie de traitement nématicide sur les 12 ou 24 mois suivant la jachère, ainsi que l'amélioration conséquente des rendements.

Équipements de mise en froid des fruits au port ou en plantation (pour améliorer la qualité des fruits, leur durée de vie verte et la gestion fine des délais et de la logistique en rapport direct avec les attentes du marché): la gestion optimale des délais de mise en froid, associée à une logistique terrestre inter-plantations adaptée, permettra d'augmenter globalement la qualité de l'offre et son adéquation aux attentes du marché, en limitant les risques de mûrissement précoce des fruits au cours du transport et les réactions commerciales correspondantes.

Fourniture et pose de réseaux de 'cableway' (pour faciliter le transport des régimes depuis les champs vers la station d'emballage et accessoirement le transport des intrants de la station aux champs): cet investissement a pour objectif majeur l'amélioration de la qualité des fruits à l'entrée en station, par la réduction des chocs et grattages dus au transport par remorques sur des pistes chaotiques. L'amélioration de la qualité apporte une réduction des écarts de triage d'une augmentation conséquente du rendement net exporté pour un coût de production identique. En outre, le 'cableway' facilite énormément le travail de récolte en limitant les distances parcourues par les ouvriers chargés des lourds régimes, entre la coupe et l'équipement de transport vers la station.

Fourniture et pose d'installations de haubanage aérien consistant en un réseau de câbles tendus à quelques mètres du sol, et soutenus par de hauts piquets plantés en terre: ce réseau de câbles sert de support d'attache aux ficelles qui supportent le pseudo-tronc de chaque bananier en vue de renforcer sa résistance au vent et à l'arrachage, surtout en ce qui concerne les pieds porteurs d'un lourd régime. Cet investissement permet de limiter significativement les pertes de pieds porteurs qui s'arrachent chaque année lors des tempêtes, inondations ou simplement en raison du poids du régime et des carences de l'ancrage du bananier au sol du fait de la mess hydrique, parasitaire ou autre. Ces pertes constituent chaque année un manque à gagner important et une source de travaux de replantation onéreux pour maintenir l'homogénéité et la productivité des parcelles.

Systèmes d'information géographique (logiciels et matériels informatique, cartographique et topographique) pour améliorer le suivi et la traçabilité historique et géographique du produit et de l'itinéraire de production, conformément aux normes internationales en vigueur en réponse aux attentes de sécurité alimentaire et de respect de l'environnement des consommateurs.

Acquisition de véhicules légers pour les déplacements en plantations (véhicules 4x4, cyclomoteurs, quads, + équipements, etc.) indispensables au travail de proximité dans l'encadrement de la production : les travaux doivent être surveillés, contrôlés et améliorés en permanence sur la totalité des surfaces plantées pour en garantir la qualité. Cet encadrement de proximité permet de maintenir un lien étroit entre l'encadrement et la production, de garantir la productivité, la motivation, et la formation continue de la main d'œuvre aux champs, pour un rendement optimal du personnel et in fine de la plantation.

Missions de service et d'assistance technique externe ponctuelle au bénéficiaire pour conseil ou expertise spécifique, formation du personnel, certification aux normes qualitatives, sociales, environnementales, etc.

Component 2:

Des investissements importants sont en cours sur fonds propres des sociétés de plantations et/ou avec le soutien des programmes d'ATF précédents (cliniques, sanitaires, vestiaires, caunes, eau potable, salles de classe, logements, transport du personnel, ramassage des ordures, reforestation, assainissement, etc.); ils doivent être poursuivis pour maintenir les certifications acquises et mener à terme les stratégies d'amélioration des conditions de production.

Les activités à mener relèveront de l'amélioration des conditions de travail (ergonomie, de transport (autobus, remorques adaptées, etc.), de logement, de sécurité, d'hygiène (vestiaires, sanitaires, cantines, etc.) et de santé des travailleurs (centres de soins, cliniques, prévention, etc.), de la formation du personnel (secourisme, incendie, applications phytosanitaires, etc.), de la prévention des risques au travail (manutention et stockage des produits toxiques, etc.) les pandémies telles que le VIH ou le paludisme, d'une meilleure prise en compte du facteur humain dans la productivité de la main d'œuvre camerounaise et donc de la compétitivité de la filière toute entière.

Parmi les mesures environnementales éligibles: l'amélioration des méthodes de traite lent phytosanitaire et la recherche/développement de solutions adaptées (en étroite collaboration avec le CARBAP et d'autres centres de recherche); le recyclage des eaux usées e: des emballages, ficelles et plastiques liés à la production; la sécurité (traçabilité, diagnostics, etc.) sanitaire et alimentaire du produit; la préservation globale de l'environnement par une agriculture raisonnée et respectueuse de l'homme et de son environnement, la mise aux normes socio-environnementales internationales telles que les normes ISO, EUREPGAP ou tout autre référentiel socio-environnemental imposé par les importateurs et consommateurs en matière de conditions sociales et environnementales de production, de sécurité alimentaire du produit ou d'éthique de la production, y compris les études ou recherches de solutions adaptées.

Component 3:

Les fonds alloués à l'ASSOBACAM seront exclusivement affectés aux actions d'n érêt transversal et serviront à financer une ou plusieurs des activités suivantes, selon les besoins exprimés par la filière au moment de la mise à disposition effective des fonds ATF 20('au Cameroun.

- Etudes et voyages pour l'appui à la diversification des marchés et la commercialisation.
- Etude d'optimisation transversale de la filière et de faisabilité d'investissements collectifs transversaux en vue d'économies d'échelle durables et structurelles, recherchées par le programme (logistique, faisabilité de l'embarquement des bananes au port de Limbé, environnement, social, etc.)
- Activités d'information sur les marchés, activités de promotion et de communication
- Formation du personnel de l'ASSOBACAM et de ses adhérents, en vu' de l'amélioration de ses capacités globales d'intervention, et en particulier d sa collaboration dans la mise en œuvre du programme ATF Banane.
- Financement d'un Responsable Administratif et Financier (y compris toutes charges afférentes: salaire, charges salariales, indemnités, frais de mission), responsable pour l'Ordonnateur National de la gestion administrative et financière des fonds, attribués à l'ASSOBACAM par la CE au titre du programme ATF.
- Financement de toute dépense transversale directement liée à la mise en œuvre du programme au Cameroun (visibilité, etc.).

3.2.2 Intervention no 2

Title: Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)

Budget: 5.500.000 € (FA), 3.472.620 € (CRIS)

Start and end date: 11/10/2007 - 31/12/2013

Objectives and expected results:

Overall objective:

L'objectif global est de contribuer au renforcement de la compétitivité de l'économie camerounaise et faciliter son insertion dans l'économie régionale et mondiale à travers la mise en œuvre viable de l'APE UE-AC.

Specific objective:

L'objectif spécifique est de soutenir le processus national de négociation, contribuer au suivi de l'APE et améliorer la compétitivité de l'économie camerounaise par un appui aux capacités de production, à la mise à niveau des entreprises et au renforcement du système qualité.

Expected results:

Component 1 –

Les capacités nationales de négociations et de suivi de l'APE sont améliorées.

Les appuis prodigués au travers de la mise en œuvre de ce résultat ont pour but de renforcer les capacités des acteurs nationaux pour les négociations et le suivi de la mise en œuvre de l'APE. Les appuis prodigués dans ce cadre feront l'objet d'une flexibilité qui tiendra compte de l'état d'avancement et des priorités des agendas de négociations ainsi que de l'entrée en vigueur des nouvelles dispositions liées à l'APE.

Un appui sous forme d'un assistant technique (AT) de longue durée avec expertise dans le domaine du commerce (négociations et mise en œuvre des accords APE/OMC) et d'un assistant administratif et financier de longue durée financé sur devis programme sera prodigué au CNSCN, à ses groupes thématiques et à son Secrétariat technique. Des formations ciblées des membres du CNSCN dans les domaines liés à l'APE2 seront réalisées pour faciliter les négociations et le suivi de l'accord.

Compte tenu de l'intensification des négociations en 2007, le projet soutiendra par ailleurs la prise en charge des frais de participation aux séances de négociations de l'APE d'au moins deux délégués camerounais additionnels", ainsi que la réalisation d'analyses complémentaires et d'outils techniques de négociation.

Afin d'assurer le renforcement des interactions avec la société civile et le secteur privé, le PASAPE soutiendra l'élaboration et la mise en œuvre d'une stratégie de communication sur l'APE au travers de la mise en place d'un site web, de la publication d'une newsletter, de la dissémination de l'information à travers les médias nationaux et de l'organisation d'ateliers de sensibilisation et d'échanges sur des thèmes spécifiques découlant des négociations et du suivi de l'accord (ex: potentialités et enjeux créés par l'APE, suivi de l'impact de l'APE sur différents secteurs économiques, etc.). Les activités d'information et de communication comprendront également la mise en place d'une base documentaire sur l'APE et l'acquisition d'équipements et de logiciel de traitement de l'information.

Une assistance technique sera par ailleurs prodiguée au ministère du Commerce pour l'appuyer dans l'élaboration de la politique commerciale nationale en cohérence avec la stratégie nationale de développement et en capitalisant les résultats de la revue de la politique commerciale du Cameroun qui sera conduite par l'UMC en 2007.

En outre, des appuis (études, AT ponctuelle de courte durée, l'organisation d'ateliers de concertation) seront prodigués au CNSCN APE et aux autres structures publiques et privées impliquées pour l'élaboration et la mise en œuvre d'un plan d'action pour le développement des services (master plan) et d'un plan d'action pour le renforcement de l'intégration régionale.

Une fois l'APE entré en vigueur, le projet apportera, sur toute sa durée, un appui technique à travers des assistances techniques court terme de la formation et de la logistique (page web, newsletter, matériel informatique, documentation) pour appuyer la mise en place de l'organe de suivi de l'APE et soutiendra cet organe et les institutions publiques et privées appropriées pour évaluer la réglementation en place dans les domaines liés à l'APE6 et élaborer des propositions de réformes réglementaires nécessaires à la mise en œuvre des dispositions de l'APE.

Component 2 –

La compétitivité, l'environnement des affaires et à la mise à niveau des entreprises sont renforcés.

Les buts poursuivis par la mise en œuvre de ce résultat sont (i) d'élaborer et initier la mise en œuvre d'une stratégie nationale de compétitivité et développement du secteur privé, notamment au travers de la mise en œuvre d'un programme pilote de mise à niveau des entreprises et la création d'une bourse de sous-traitance, ainsi que (ii) d'améliorer l'environnement des affaires au Cameroun par le renforcement de certaines organisations intermédiaires pour améliorer la qualité des services rendus aux entreprises. Sous la supervision du CNSCN APE, différents appuis seront prodigués, au Comité de Compétitivité et autres acteurs publics et privés appropriés par le projet, à travers des devis programmes (régie directe) sous forme d'AT court ou moyen terme, études, soutiens logistiques, formations et consultation (élargis au secteur privé, aux parlementaires et à la société civile). L'objectif est de formuler la stratégie de compétitivité en l'assistant dans la réalisation et l'analyse des études et stratégies sectorielles, la définition du plan d'action pour la mise en œuvre de la stratégie et en facilitant son adoption par le Gouvernement et le Parlement. Sur cette base, le PASAPE appuiera également la mise en œuvre de la stratégie de compétitivité.

L'amélioration de l'environnement des affaires et le renforcement des capacités des organismes intermédiaires pour améliorer la qualité des services aux entreprises sont vitaux pour accroître la compétitivité de l'économie camerounaise. Le PASAPE appuiera ainsi la mise en place du guichet unique des formalités des entreprises (étude de faisabilité, appui logistique au démarrage (matériel, équipement informatique, logiciel, website) et d'un Centre de Gestion Agréé (études, matériel, équipement et documentation). Afin d'assurer la viabilité de ces structures, elles seront placées au sein d'institutions existantes capables d'en assurer un fonctionnement satisfaisant. Ces institutions pourraient être par exemple la Chambre de Commerce, d'Industrie, des Mines et de l'Artisanat, diverses structures patronales qui recevront responsabilité suite à un appel à proposition pour garantir la viabilité et la transparence du choix.

Dans le cadre de ce volet, le PASAPE appuiera également le renforcement du dialogue Secteur public-Secteur privé et la structuration du dialogue entre opérateurs économiques camerounais et européens présents au Cameroun. A ce titre, une assistance technique sera octroyée au (i) Secrétariat Permanent du CIESP et/ou à l'opérationnalisation d'une possible structure alternative de coordination du dialogue public-privé qui serait le fruit de certaines initiatives actuellement en cours (ex: le "Business Forum" proposé par la BM ou le "Prime Minister investment council"; l'appui comprendra des équipements, logiciels, documentation, website) ; et à (ii) la mise en place ou au renforcement des groupes de travail (sur l'accès au crédit, etc.) incluant notamment les femmes entrepreneurs (études, ateliers). Les appuis techniques au renforcement du « business dialogue » entre les opérateurs économiques camerounais et les opérateurs économiques européens comprendront notamment la réalisation d'une étude de faisabilité pour analyser l'organisation du secteur privé européen présent au Cameroun et ses relations avec le secteur privé camerounais d'un appui logistique à l'organisation des réunions. Il s'agira notamment de préparer les bases d'un Business Forum DE/Afrique centrale", tel que recommandé par les participants du I^{er} Forum des affaires DE/Afrique de novembre 2006.

Avec l'appui technique de l'ONUDI, le PASAPE financera la conception et la mise en œuvre d'un programme pilote de mise à niveau des entreprises.

La conception du programme pilote de mise à niveau des entreprises reposera sur (i) la réalisation des études nécessaires, notamment de positionnement stratégique de branches (ex : agro-alimentaire, bois, textile/confection, services d'appui à l'industrie) ; (ii) des appuis à la cellule de gestion du programme pilote de mise à niveau (CGPPMAN à être mise en place par l'ONUDI) chargée de l'élaboration du programme et sur le renforcement des capacités institutionnelles nationales (bureau de mise à niveau) en matière de mise à niveau (formations et logistique) ; (iii) la conception du cadre réglementaire et des procédures du programme de mise à niveau; (iv) l'identification et appui à la conception des mécanismes de financement de la mise à niveau (étude, formations). Le document d'accord à être signé avec l'ONUDI précisera les modalités de mise en œuvre.

La mise en œuvre du programme pilote de mise à niveau comprendra (i) la création ou le renforcement par des experts ONUDI des capacités des centres techniques déjà existant pour les secteurs prioritaires : textile, bois, agro-industrie ; (ii) le renforcement conduit par des experts ONUDI des capacités des

prestataires de services pour la mise en œuvre du programme de mise à niveau; et (iii) l'appui au secteur financier pour le financement des plans de mise à niveau avec, notamment, une assistance technique pour une meilleure analyse des risques et favoriser une meilleure connaissance des tissus économiques locaux. Suite à la détermination du cadre référentiel technique et financier pour l'évaluation des dossiers de demande de mise à niveau (assistance technique), le programme de mise à niveau réalisera les diagnostics de mise à niveau pour 15 entreprises (expertise internationale et locale) et l'assistance à la mise à niveau pour 15 entreprises (investissements immatériels). Par ailleurs, une opération de compagnonnage industriel des entreprises et industriels camerounais par des entrepreneurs européens opérant dans les mêmes secteurs d'activités sera réalisée. Finalement, avec l'appui technique de l'ONUDI, le PASAPE appuiera la mise en place de la Bourse Nationale de Sous-traitance et de Partenariat du Cameroun. Le document de projet signé avec l'ONUDI précisera les modalités de mise en œuvre des activités susmentionnées dans ce chapitre.

Component 3 –

Les systèmes de normalisation et de qualité sont renforcés.

Ce résultat vise à soutenir la compétitivité des entreprises camerounaises en favorisant l'ancrage de la culture qualité, en développant une infrastructure d'évaluation de la conformité accréditée et reconnue à l'échelle internationale et en développant un système de normalisation et de réglementations harmonisé et conforme aux exigences internationales. La mise en œuvre de ce résultat sera en totalité déléguée à l'ONUDI. Le document de projet signé avec l'ONUDI précisera les modalités d'implémentation. Les experts de l'ONUDI appuieront les ministères concernés (notamment ceux en charge de l'industrie, de l'élevage, de l'agriculture), les fédérations patronales, les structures intermédiaires et les associations de consommateurs pour conduire des activités de sensibilisation des opérateurs économiques et des consommateurs à l'importance de la qualité. Pour ce faire, des séminaires seront organisés et des supports de communication seront préparés par les experts de l'ONUDI en collaboration avec les ministères concernés et diffusés au travers notamment des ministères concernés, des fédérations patronales, des structures intermédiaires et des associations de consommateurs. Ils serviront à sensibiliser les chefs d'entreprises et consommateurs sur les principes de gestion de la qualité et les normes ISO 9000, sur les principes d'hygiène et de maîtrise des risques et les exigences des nouvelles normes ISO 22000 et sur les principes de gestion liés à l'environnement par rapport aux normes ISO 14000. Il est par ailleurs prévu l'organisation d'un prix national de la qualité annuel au Cameroun.

Activities:

Component 1:

Résultat 1.1: Renforcement des capacités de négociation du CNSCN APE au niveau régional et avec l'UE

- Activité 1: Appui en assistance technique internationale (1 AT team leader 42 mois + 1 assistant administratif + AT courte durée ponctuelle pour interventions dans domaines spécifiques liés au commerce) au CNSCN, à ses groupes thématiques et à son Secrétariat technique.
- Activité 2: Formations (sur AT courte durée) des membres du CNSCN dans les domaines liés à l'APE.
- Activité 3: Prise en charge des frais de participation aux séances de négociations de l'APE de deux délégués camerounais additionnels.
- Activité 4: Réalisation d'études d'analyses complémentaires" et d'outils techniques de négociation (par AT long terme et AT courte durée)

Résultat 1.2: Formulation et mise en œuvre de stratégies pour le développement du commerce

- Activité 1: AT au ministère du Commerce pour l'appuyer dans l'élaboration de la politique commerciale nationale en cohérence avec la stratégie de développement et en capitalisant les résultats de la revue de la politique commerciale du Cameroun qui sera conduite par l'OMC en 2007.
- Activité 2: Appuis sous forme d'études (par l' AT longue durée et AT ponctuelles) et d'organisation d'ateliers de concertation pour l'élaboration et la mise en œuvre d'un plan d'action pour le développement des services et d'un plan d'action pour le renforcement de l'intégration régionale.

Résultat 1.3: Appui au suivi de l'APE amélioré L'AT longue durée auprès du CSNCS et des AT ponctuelles effectueront les activités suivantes:

- Activité 1: Appui technique (études) et logistique (équipements et de logiciel de traitement de l'information) à la mise en place de l'organe de suivi de l'APE et renforcement des capacités nationales pour le suivi de l'APE (formations des membres de l'organe de suivi).
- Activité 2: appuis à la mise en œuvre d'une stratégie de communication sur l'APE (mise en place d'un site web, publication d'une newsletter, organisation d'ateliers de sensibilisation et d'échanges; mise en place d'une base documentaire sur l'APE)
- Activité 3: appui à l'évaluation de la réglementation dans les domaines liés à l'APE9: et à l'élaboration de propositions de réformes législatives nécessaires dans la perspective de l'entrée en vigueur de l'APes, ateliers de concertation.

Component 2:

Résultat 2.1 : Le cadre stratégique de soutien à la compétitivité et au développement du secteur privé est amélioré

- Activité 1: Etudes complémentaires et analyses pour la formulation d'une stratégie nationale de compétitivité (AT longue durée et AT courte durée).
- Activité 2: Organisation d'ateliers de concertation et diffusion (logistique).
- Activité 3: Appui à la coordination et mise en œuvre de la stratégie de compétitivité (AT courte durée, formation et documentation).

Résultat 2.2. : La compétitivité est renforcée par la mise à niveau des entreprises pilotes (mise en œuvre ONUDI)

Résultat 2.2.1.: les capacités institutionnelles nationales de mise à niveau sont renforcées

- Activité 1 : Mise en place d'un Comité de coordination et de suivi du PPMAN (Programme Pilote Mise à Niveau): appui au renforcement des Capacités de pilotage des ministères impliqués dans le comité; organisation de 5 missions de suivi évaluation et d'une mission d'évaluation finale.
- Activité 2 : Appui à la formulation d'un programme national de mise à niveau: études de positionnement stratégique des branches (fruits et légumes, produits laitiers, céréales, viande, bois, textile confection; services d'appui à l'industrie); identification des entreprises disposant d'un potentiel de sous-traitance dans le cadre du projet d'extension d'Alucam et proposition d'un programme de mise à niveau correspondant; étude de formulation du PPMAN.
- Activité 3 : Conception du cadre réglementaire et des procédures du programme de mise à niveau (AT courte durée internationale et locale).
- Activité 4: Formulation et mise en œuvre d'un programme de communication et de promotion: documents, réunions.
- Activité 5 : Renforcement des capacités institutionnelles des ministères de l'Industrie et des PME, du patronat, des associations professionnelles (mission d'études, AT de courte durée).
- Activité 6 : Renforcement des capacités des prestataires de service (ateliers, base de donnée, guide méthodologique, formation de 150 consultants).
- Activité 7 : Mise en place d'une cellule de gestion du PPMAN (formations).

Résultat 2.2.2.: les mécanismes de financement de la mise à niveau sont mis en place

- Activité 1 : Etude de faisabilité pour la création du fonds de mise à niveau.
- Activité 2 : Appui d'assistance technique au secteur financier pour les financements des plans de mise à niveau: étude de formulation d'un plan d'action pour réformer le cadre réglementaire et fiscal; atelier de validation.

Résultat 2.2.3.: les capacités des centres techniques sont renforcées

- Activité 1 : Diagnostic des capacités des centres techniques agro-alimentaires (Institut de Recherche d'Agronomie et de Développement-IRAD-, Institut Universitaire de Technologie -IUT- à N'Gaoundéré).
- Activité 2: Appui pour le renforcement des capacités d'intervention des centres techniques agroalimentaires opérationnels et renforcement de leur vocation régionale: évaluation des besoins des entreprises agroalimentaires en matière d'appui technique; étude de faisabilité pour le renforcement des capacités de l'IRAD pour en faire un centre d'appuis de l'Industrie agroalimentaire.

Résultat 2.2.4.: le Programme pilote d'appui pour la mise à niveau des entreprises des secteurs prioritaires est élaboré et mis en œuvre

- Activité 1 : Diagnostics de mise à niveau élaborés pour 15 entreprises: Eligibilité des entreprises; réalisation des plans de mise à niveau.
- Activité 2 : Assistance pour la mise à niveau de 15 entreprises: Identification des dispositifs d'appui des entreprises concernées; Accompagnement des entreprises pour la négociation avec les partenaires impliqués dans le programme de mise à niveau; Réunir les conditions de versement des primes.

Résultat 2.3. : Les services aux entreprises sont améliorés

- Activité 1: Appui d'AT courte durée à la mise en œuvre du Guichet Unique des formalités des entreprises: étude de faisabilité, appui logistique au démarrage.
- Activité 2: Appui logistique à la mise en place du Centre de Gestion Agréé: matériels, website, équipements et documentation.
- Activité 3: Appui d'AT (mise en œuvre ONUDI) à la mise en place de la Bourse nationale de sous-traitance et de partenariat: AT internationale courte durée, formation, équipements
- Activité 4: Soutien (mise on œuvre ONUDI).à une opération de compagnonnage industriel : séminaires, logistiques, formation

Résultat 2.4. : L'environnement des affaires est amélioré par le renforcement du dialogue public- privé et la mise en place du dialogue entre opérateurs économiques camerounais et européens présents au Cameroun

L'AT longue durée et des AT courte durée effectueront les activités suivantes:

- Activité 1 : Ateliers de sensibilisation des acteurs porteurs et détenteurs d'enjeux et de prise de décision sur l'importance du dialogue et l'amélioration du climat des affaires
- Activité 2 : Appui à l'opérationnalisation de l'instance de coordination du dialogue public/privé (Club du Premier Ministre ou autre "business forum"): études, AT, logistique.
- Activité 3 : Appui à l'élaboration et la mise en place de plates formes représentatives du secteur privé incluant notamment les femmes entrepreneurs: études, ateliers.
- Activité 4: Appui au renforcement du «business dialogue» entre les opérateurs économiques camerounais et européens: études, appui logistique.

Component 3:

Les activités suivantes seront mise en œuvre par l'ONUDI à travers un accord FAFA:

Résultat 3.1.: Les opérateurs économiques et les consommateurs sont sensibilisés et l'information mise à leur disposition.

- Activité 1 : Séminaires (10) pour sensibiliser environ 1000 chefs d'entreprises sur les principes de gestion de la qualité et les normes ISO 9000.
- Activité 2 : Deux séminaires pour sensibiliser une centaine de chefs d'entreprises des secteurs alimentaires et agro-alimentaires sur les exigences des nouvelles normes ISO 22000.
- Activité 3 : Deux séminaires pour sensibiliser une centaine de chefs d'entreprises sur les principes de management de l'environnement selon les normes ISO 14000.
- Activité 4 : Préparation et diffusion de supports médiatiques pour la communication sur l'importance et les exigences des normes ISO 9000, ISO 14000 et ISO 22000; 2 séminaires pour sensibiliser une centaine de chefs d'entreprise aux principes de management de l'environnement selon normes ISO 14000.
- Activité 5 : Organisation d'un forum-débat national annuel pour la promotion de la qualité.
- Activité 6 : Organisation d'un prix national de la qualité. Activité 7 : Appui à la sensibilisation et à la protection des consommateurs.

Résultat 3.2. : Les entreprises camerounaises sont accompagnées à la certification.

- Activité 1 : Appuis à 10 entreprises pour la mise en place de systèmes de management de la qualité conforme à la norme ISO 9001.
- Activité 2 : Appuis à 3 entreprises pour la mise en place de systèmes de management de la qualité conforme à la norme ISO 14001.
- Activité 3 : Appuis pour la mise en place de système HACCP et certification ISO 22000 au profit de 5

entreprises du secteur agro-alimentaire.

- Activité 4 : formations de 60 cadres responsables management de la qualité au sein des entreprises bénéficiaires sur les exigences de la série de normes ISO 9000, des normes ISO 14001 et ISO 22000 (HACCP).
- Activité 5 : formation de 60 consultants et auditeurs dans les domaines qualité et certification ISO 9000, ISO 14001 et ISO 22000.
- Activité 6 : séminaire sur les principes de management de l'hygiène selon la norme ISO 22000 et de deux séminaires sur l'élaboration de systèmes documentaires conforme aux exigences de la norme ISO 22000 au sein d'une entreprise.
- Activité 7 : appui en AT et formation aux opérateurs économiques dans la traçabilité des produits sensibles préalablement identifiés afin de renforcer le respect des provisions Food and Feed pour les produits exportés vers l'DE.

Résultat 3.3. : Les systèmes de normalisation, la réglementation et la métrologie légale sont développés.

- Activité 1 : Etude d'audit/évaluation réglementaire et institutionnel des systèmes de normalisation et de qualité et proposition d'un plan d'action.
- Activité 2: Assistance à la mise en place d'une structure indépendante de normalisation (l'Agence Nationale des Normes et la Qualité).
- Activité 3 : Elaboration d'un programme national "qualité".
- Activité 4: Mise en place d'un système d'information sur les normes et notamment sur celles appliquées par les principaux marchés d'exportation du Cameroun.
- Activité 5 : Assistance au développement de la marque nationale de qualité.
- Activité 6 : Assistance au développement de normes nationales, conformes au schéma directeur CEMAC, sur la base des systèmes normatifs internationaux.
- Activité 7: Diagnostic et l'élaboration du plan d'action de mise à niveau et de développement de la métrologie légale.
- Activité 8 : Etude diagnostique et équipements complémentaires du centre d'analyses et d'essais relevant du MINIMIDT intégré à la division de la normalisation.
- Activité 9 : Equipement du laboratoire d'analyse des denrées animales.

Résultat 3.4. : Accompagnement des laboratoires à l'accréditation.

- Activité 1 : Etude(s) d'identification, évaluation et sélection des laboratoires à appuyer (y compris viabilité financière).
- Activité 2: Assistance à la mise en place de système de management qualité conformément à la norme ISO 17025 au sein de 7 laboratoires d'analyse (labo microbiologique du centre Pasteur, labo de l'IRAD, labo de l'HYDRAC, laboratoire des denrées alimentaires).
- Activité 3: Prise en charge des frais d'étalonnage des équipements de contrôle, de mesure et d'essais dans les laboratoires.
- Activité 4: Acquisition d'équipements complémentaires pour les laboratoires accompagnés à l'accréditation.
- Activité 5: Appuis complémentaires pour accompagner deux laboratoires à l'accréditation.

Contracted Services for special support measures.

3.2.3 Intervention no 3

Title: Programme d'appui au Conseil interprofessionnel du cacao et du café (CICC)

Budget: 2.374.000 € (montant maximal fixé à 2.182.000 €) (FA), 2.805.524 € (CRIS)

Start and end date: 31/05/2007 - 31/05/2012

Objectives and expected results:

Overall objective:

Le CICC contribue au développement des filières cacao et cafés et à la lutte contre la pauvreté en améliorant la productivité et la compétitivité de ces filières.

Specific objective:

Renforcement durable des OPA et de leur interprofession, afin qu'elles jouent leur rôle de support aux professionnels du secteur, pour l'amélioration de la production et de la compétitivité des filières cacao et cafés.

Expected results:

Component 1 – Mise à niveau des OPA par le biais de l'Appui Rural Décentralisé Participatif (ADRP)

La mise à niveau des OPA (organisation et productivité) est assurée par un système d'Appui Rural Décentralisé Participatif (ARDP, dispositif itératif assurant le diagnostic et la programmation de la formation des OPA, des appuis matériels notamment en rapport avec l'amélioration de la qualité), animé par le Secrétariat Permanent du CICC.

Component 2 – "Information des producteurs et autres acteurs concernés par la filière"

L'information aux producteurs en temps réel est fonctionnelle, notamment les cours des produits sur le marché.

Component 3 – "Communication"

La communication (par tous les médias) a significativement renforcé la notoriété de l'interprofession et amélioré l'image des cafés et cacao du Cameroun, participant ainsi à la défense des intérêts des filières tant au niveau national que dans les instances internationales, ainsi que lors d'événements et manifestations internationales.

Component 4 – "Renforcement des capacités du CICC"

Les capacités de programmation, de gestion et d'intervention du CICC sont renforcées.

Activities:

Component 1:

- Formation auprès des OPA
- Appui en fourniture d'équipement (matériels) aux OPA

Component 2:

- Mise en place d'un système de base de données
- Collecte des informations concernant production, stockage projections etc.
- Mise à disposition en temps réel des cours du marché, des prix 'bord champ', du calendrier des marchés, des quantités à commercialiser

Component 3:

- Réalisation et diffusion de supports scriptovisuels
- Réalisation et diffusion d'un bulletin d'information
- Reportages, articles et communiqués de presse
- Création et développement d'un site Internet
- Colloques sur les filières impliquant tous les acteurs au niveau des 7 provinces de production ainsi qu'au niveau national

Component 4:

- Recrutement et installation d'une assistance technique en vue de conduire le programme d'appui au CICC auprès du Secrétariat Exécutif
- Renforcement des ressources humaines par mise à disposition par l'Ordonnateur National de deux fonctionnaires (régisseur, RAF)
- Recrutement par le CICC d'un chargé de communication
- Réhabilitation des locaux
- Planification stratégique, gestion des programmes et activités

Contracted Services for special support measures.

3.2.4 Intervention no 4

Title: Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD)

Budget: 10.000.000 € (FA), 1.526.702 € (CRIS)

Start and end date: 01/10/2010 – 01/10/2016

Objectives and expected results:

Overall objective:

L'objectif global est de contribuer à l'amélioration de la compétitivité de l'économie camerounaise par l'accompagnement de la mise en œuvre des volets relatifs au régime douanier et à la facilitation des échanges c/cie l'Accord de Partenariat Economique signé avec le Cameroun le 15 janvier 2009.

Specific objective:

L'objectif spécifique du programme vise à améliorer l'efficacité des services douaniers à travers, en particulier:

- la facilitation des échanges internationaux;
- l'amélioration de la collecte des recettes douanières;
- le renforcement de la mission économique de la Douane.

Expected results:

La stratégie retenue consiste à appuyer la poursuite et la consolidation de la mise en œuvre du plan de modernisation des douanes, qu'il s'agisse du réaménagement des procédures, du développement de systèmes de communication interne et externe, de l'instauration de la transparence et de la traçabilité des opérations douanières.

Pour ce faire, le présent programme se décline en quatre volets:

- Appui à l'informatisation sous trois composantes: 1) appropriation, optimisation, extension géographique et évolution logicielle et technologique du SYDONIA, 2) site web, intranet et application courrier, et 3) réseau et télécommunication,
- Formation professionnelle et ressources humaines sous deux composantes: formation professionnelle et équipements informatiques,
- Amélioration de la gouvernance sous deux composantes: indicateurs de performance et de coûts; audit interne et contrôle de l'exécution du service,
- Équipements : acquisition d'un pont bascule pour les contrôles de quantité au port et/ou d'un scanner pour ceux menés sur le fret aérien.

L'extension géographique et fonctionnelle du Sydonia représente la mise à disposition d'un outil qui permettra, au-delà de la fiabilisation de la collecte fiscale, de simplifier les opérations de dédouanement et de moderniser en automatisant la gestion documentaire des procédures (prise en charge, transit, suivi des restes à recouvrer...). En conclusion d'un travail d'analyse de risque que le système autorise, le Sydonia est l'outil de ciblage donnant aux opérateurs l'information sur le circuit de contrôle retenu y compris le passage au scanner. La mise en ligne sur le site Web de la douane de l'ensemble des textes réglementaires, procéduraux et d'organisation apportera aux opérateurs la transparence et la prévisibilité des décisions douanières et de ce fait autorisera la remise en cause de décisions qui relèvent trop souvent de l'arbitraire. Elle permettra également à l'ensemble des services de se mettre à jour. Pour autant, aussi bien la publication réglementaire que l'optimisation de l'outil informatique ne trouveront leur efficacité que dans la mesure où leur appropriation sera impulsée par un ambitieux programme de formation touchant l'ensemble des acteurs de la chaîne logistique.

L'appui à la formation vise à adosser la pratique douanière aux textes en vigueur et de la professionnaliser. L'ouverture sur l'extérieur doit créer dans l'environnement des séances de formation une plate-forme informelle de dialogue privé-public au niveau de l'exécution. Les formations seront l'occasion d'affirmer aux agents des douanes et à leurs partenaires la nécessité d'une évolution culturelle. L'utilisation de moyens modernes de gestion et l'impact des formations doit faire l'objet d'évaluations sur la base de critères objectifs autorisant aussi bien la réorientation de l'action que l'évaluation de la performance individuelle et collective.

La mise en place d'un panel complet et évolutif d'indicateurs a pour ambition de donner à la DG un outil

de management des ressources humaines tout autant que de permettre le suivi/évaluation de l'action des services (la création d'un Intranet douanier vient directement en complément en ce qu'elle autorisera l'exercice de l'action hiérarchique en temps réel).

Ces trois volets ne permettront d'atteindre l'objectif global recherché que dans la mesure où ils seront mis en œuvre simultanément et de façon cohérente.

Enfin, la nécessité d'acquérir un pont à bascule et un scanner est fondée sur le besoin d'accélérer les contrôles physiques par la mise à disposition de moyens de vérification non intrusifs, ce qui permettra de fluidifier les trafics et de diminuer les coûts de manutention générés par les contrôles physiques. Un scanner pour le fret aérien évitera le dépotage systématique des conteneurs, un pont bascule permettra une vérification des marchandises facturées au poids et de vérifier les quantités dans l'enceinte même du port, chargement de sortie effectué. Les emplacements sont disponibles au magasin fret de l'aéroport et sur le terre-plein portuaire, et la demande est forte du côté de l'administration.

Component 1 – "Appui à l'informatisation" (4.000.000 €)

- Par l'extension fonctionnelle et géographique du Sydonia, la douane et les opérateurs privés sont dotés d'un système automatisé de dédouanement, se substituant aux procédures papier;
- Au travers de la réactivation du site web de la douane, la transparence et la prévisibilité de l'action douanière est assurée. La mise en ligne de la réglementation et des règles de procédure arrêtées pour son application ainsi que des règles édictées par les ministères techniques en matière de nonnes, d'exigence de certificats sanitaires, phytosanitaires, d'autorisations de mise sur le marché, permet aux opérateurs du commerce international d'acquérir la maîtrise législative et procédurale complète. Une réflexion globale des autorités sur la lisibilité des textes existants et sur leur éventuel dépolissage et clarification par la réalisation de synthèses thématiques traduisibles en modules de formation professionnelle est engagée;
- Par la mise en place d'un Intranet et d'une application "Courrier", une transmission fiable des instructions est assurée, appuyant l'amélioration de la gouvernance au sein de la DGD.

Component 2 – "Formation" (1.000.000 €)

- La pratique douanière s'adosse aux textes en vigueur et est professionnalisée;
- L'ouverture sur l'extérieur permet de créer dans l'environnement des séances de formation une plateforme informelle de dialogue privé public au niveau de l'exécution;
- Les agents des douanes et leurs partenaires sont convaincus de la nécessité d'une évolution culturelle.

Component 3 – "Appui à la gouvernance" (300.000 €)

- La hiérarchie intermédiaire est impliquée dans la conduite des réformes comme acteur du changement et relais indispensable dont la DGD a besoin au niveau du terrain;
- Chaque chef de service est responsabilisé quant aux objectifs à atteindre et quant au niveau de performance des agents placés sous ses ordres;
- La pratique des procédures «négociées» est rendue impossible par leur identification au sein des comptes rendu de vérification;
- Les responsables de terrain prennent les mesures correctives qui ressortent de leur compétence et en rendent compte.

Component 4 – "L'acquisition d'équipements" (1.800.000 €)

Par l'acquisition d'équipements spécifiques, les trafics sont fluidifiés et les coûts de manutention générés par les contrôles physiques diminués.

Ces quatre volets vont contribuer, chacun à leur niveau, au renforcement de la mission économique de la douane.

Activities:

Component 1:

- l'identification des maillons faibles et/ou inexploités du système SYDONIA;

- l'appui à l'utilisation à 100% des fonctionnalités (modules) du SYDONIA;
- la mise en place d'un service d'assistance aux utilisateurs (HelpDesk);
- l'extension géographique de Sydonia: identification et priorisation des bureaux, acquisition et installation du matériel;
- l'évolution technologique de Sydonia (migration de Sydonia ++ à Sydonia World): évaluation du coût financier et institutionnel du passage à Sydonia World; convention de contribution avec la CNUCED permettant la mise à disposition de la DGD du Cameroun d'un expert à plein temps en charge du SYDONIA; achat des matériels et logiciels nécessaires à cette évolution fonctionnelle et technologique par appel d'offres;
- l'appui à la sécurisation du réseau et des télécommunications: appel d'offres international pour le recrutement d'un ingénieur télécom (AT CT) et d'un expert informaticien (AT CT) pour réaliser l'étude permettant le choix du système et la validation du matériel et des logiciels; acquisition des équipements;
- la réactivation du site web: marché de services pour le recrutement de l'entreprise chargée de la mise à jour du site web;
- l'amélioration de l'intranet: marché de services pour le recrutement d'un expert spécialiste des applications courriers.

Component 2:

- l'identification et la mise en œuvre des formations métiers et celles ouvertes aux partenaires;
- l'acquisition du matériel;
- la formation des formateurs.

Component 3:

- la mise en place d'un panel d'indicateurs en complément de l'existant permettant la construction et l'alimentation d'un tableau de bord: marché de services (AT CT);
- l'appui au contrôle de l'exécution de service: séminaires de formation des auditeurs de l'inspection des services; formation des chefs de services.

Component 4:

- l'acquisition et l'installation d'un scanner à l'aéroport de Douala;
- l'acquisition et l'installation d'un pont à bascule au port de Douala.

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Country Fiche

CHINA

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1 Introduction

1.1 Country overview

	2004	2005	2006	2007	2008	2009	2010
Exports Volume Index	235.8	300.0	375.8	458.0	506.6	436.0	562.4
Imports Volume Index	230.7	251.1	284.1	324.7	332.1	326.0	426.3
GDP per Capita in current US \$	1,490	1,731	2,069	2,651	3,414	3,749	4,428
Exports in % of GDP	34	37	39	38	35	27	30
Imports in % of GDP	31	32	31	30	27	22	26
FDI net inflows in current US \$	54,936,483,255	117,208,286,229	124,082,036,119	160,051,835,203	175,147,650,312	114,214,527,413	185,080,744,436

Export volume indexes are derived from UNCTAD's volume index series and are the ratio of the export value indexes to the corresponding unit value indexes. Unit value indexes are based on data reported by countries that demonstrate consistency under UNCTAD quality controls, supplemented by UNCTAD's estimates using the previous year's trade values at the Standard International Trade Classification three-digit level as weights. To improve data coverage, especially for the latest periods, UNCTAD constructs a set of average prices indexes at the three-digit product classification of the Standard International Trade Classification revision 3 using UNCTAD's Commodity Price Statistics, international and national sources, and UNCTAD secretariat estimates and calculates unit value indexes at the country level using the current year's trade values as weights. (2000 = 100)

	Rankings of the Global Competitiveness Report of the World Economic Forum (WEF)						
China	2004	2005	2006	2007	2008	2009	2010
Rank	46	49	13	14	17	36	13
total number of countries	104	117	125	131	134	133	139

WTO membership: Yes, since 11.12.2001

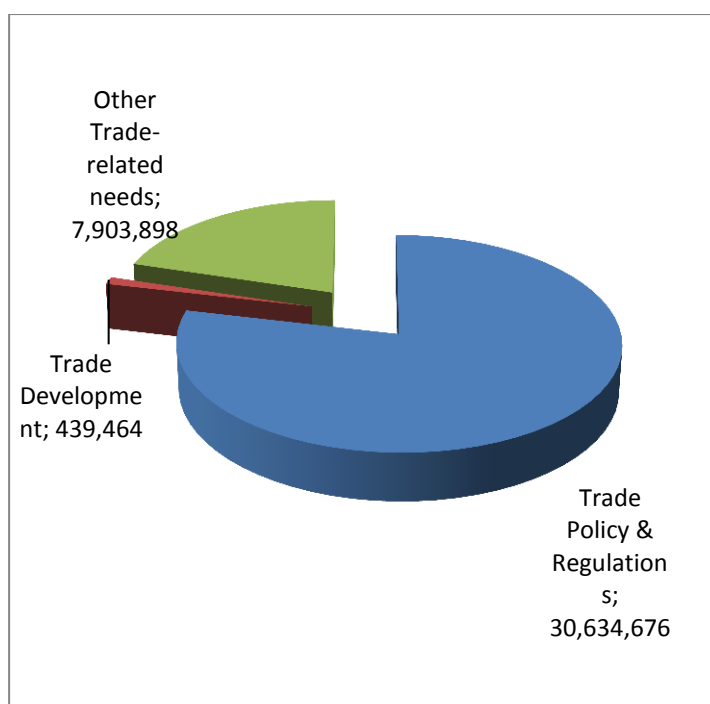
1.2 Commission's TRA to China between 2004 and 2010

1.2.1 Contribution per sector, modality and channel

1.2.1.1 Breakdown per Category

Row Labels	Trade Policy & Regulations	Trade Development	Other Trade-related needs	Grand Total
2004	73.936	91.324		165.260
2005	1.052.969	72.757	72.745	1.198.472
2006	71.904			71.904
2007	10.093.894	275.383	7.616.270	17.985.548
2008	79.511		169.500	249.011
2009	136.025			136.025
2010	19.126.436		45.382	19.171.818
Grand Total	30.634.676	439.464	7.903.898	38.978.038

Total volume of contracted amount 2004-2010 per category



1.2.1.2 Breakdown per Modality

Row Labels	Project	Grand Total
2004	165.260	165.260
2005	1.198.472	1.198.472
2006	71.904	71.904
2007	17.985.548	17.985.548
2008	249.011	249.011
2009	136.025	136.025
2010	19.171.818	19.171.818
Grand Total	38.978.038	38.978.038

1.2.1.3 Disbursement Rate

Year	Amount contracted in €	Amount paid in €
2004	165.260	165.260
2005	1.198.472	1.198.472
2006	71.904	71.904
2007	17.985.548	7.131.929
2008	249.011	154.211
2009	136.025	136.025
2010	19.171.818	3.936.657
Grand Total	38.978.038	12.794.459

Disbursement per Category

Row Labels	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	30.634.676	9.921.901
Trade Development	439.464	439.464
Other Trade-related needs	7.903.898	2.433.094
Grand Total	38.978.038	12.794.459

Disbursement per Modality

Row Labels	Amount contracted in €	Amount paid in €
Project	38.978.038	12794458,61
Grand Total	38.978.038	12.794.459

Disbursement per channel

Row Labels	Amount contracted in €	Amount paid in €
Private Company	29.903.874	9.096.299
Research Institution/University	8.302.945	2.926.941
Government	612.210	612.210
NGO/Association/Chamber/Foundation	159.009	159.009
Grand Total	38.978.038	12.794.459

1.2.2 Important TRA interventions in China

Table 25 Overview of Commission's most relevant TRA interventions in China

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Committed amount for the intervention</i>
EU-China Project on the Protection of Intellectual Property Rights (IPR II)	ASIE/2006/018-178	10.094.302
Support to China's Sustainable Trade and Investment System	DCI-ASIE/2009/020-127	19.004.000

Source: CRIS database, Particip GmbH analysis

1.3 Description of main EC intervention

1.3.1 Intervention no 1²

Title: EU-China Project on the Protection of Intellectual Property Rights 11 (IPR 11), ASIE/2006/018-178

Budget: 10.094.302

Start and end date: 2006 - 2011

Objectives and expected results:

Overall objective:

The overall objective of the new EC intervention is to support the **smooth integration of China into the world trading system** and contribute to China's transition to a market economy.

Specific objective:

The specific objective of the project is to **improve the effectiveness of IPR enforcement in China** through the provision of **Technical Assistance to Chinese legislative, judicial, administrative and enforcement agencies and institutions.**

Expected results:

The envisaged results of the project are:

- (a) The Chinese **legal framework of IPR** laws and regulations is more predictable, transparent, coherent and in line with the WTO agreements.
- (b) **Technical capacity of all institutions involved** in IPR to handle IPR cases is enhanced through systematic and extensive training.
- (c) Civil enforcement improved considerably in terms of speed, efficiency, costs and fair trial through **increased awareness and improved knowledge of stakeholders involved in IPR.**
- (d) **Criminal enforcement** is improved in terms of application, efficiency, costs and fair trial through increased awareness and improved knowledge of stakeholders involved as well as through improved inter-agency communication and transfer of cases.
- (e) **Administrative enforcement** is improved, specifically with regard to the protection of patent rights.
- (f) A database is created, with nationally and internationally available IPR related information and links to facilitate the work of law and policy makers, IPR agencies and institutions, including customs and police.
- (g) IPR is better understood and used by both Chinese and European right holders as a **strategic tool for business development.**

Activities:

Component: Cross-cutting areas

Activity 1: Legal Framework

China is currently in the process of **revising its IPR-related legislation** (Anti-Unfair Competition Law), amending (Trademark Law, Patent Law, Copyright Law) or establishing it (Anti-Monopoly Law), in line with the TRIPS obligations. Through the **organisation of joint seminars and roundtables** with Chinese and European experts as well as through **conducting studies** the project shall support China in improving the situation. During intensive exchange and coordination with representatives of key institutions on the Chinese side, such as the Legislative Affairs Office (LAO) as well as drafting divisions of courts and the Procuratorate, special attention shall be paid to the elaboration of legislation compliant with WTO standards.

Assistance in the lawmaking process can be provided directly or through dialogues.

Support shall be provided to the following areas:

- Judicial guidelines (revision and initiation)
- Civil procedures: addressing gaps and ambiguity or incomplete regulations

² source: FA-TAP of ASIE/2006/018-178

- Patent law: support to planned amendment, discussion of European patent law theory and practice in seminars and trainings
- Trademark law: support for changes in trademark law, revision and new guidelines
- IP aspects in competition law
- Copyright: especially related to the internet
- Administrative procedure law: remedy to deficiencies of current law.
- Geographical indications: develop the regulatory system of GI protection
- Protection of trade secrets
- Protection of IPR in international trade
- Further issues

Activity 2: Capacity Building

The project's capacity building component is of a horizontal nature, being complementary mainly to the components of civil, criminal, and administrative procedures. Beneficiaries of this component will be all institutions involved in IPR protection.

Following training activities shall be implemented:

- Training of judges
- Training of prosecutors
- Training of Public Security Bureau officers
- Training of Examiners
- Training of State Administration of Industry and Commerce (SAIC) and Trademark Office (CTMO) staff
- Training of National Copyright Administration, Ministry of Culture Bureau and other agencies' staff concerned with copyright enforcement
- Training of State and Local Intellectual Property Office staff
- Training of Customs officials
- Training on protection of trade secrets
- Training of MOFCOM and relevant government agencies staff on IPR protection in trade fairs

Activity no 3: Access to Information

Online information with regard to Chinese patent applications and granted patents can currently only be searched partly and not completely in full text. Access to the existing Chinese databases of patent will be further improved for better search on national patent applications and granted patents. A **database will be set up** including as much as possible nationally and internationally available IPR-related information and links to facilitate the work of law and policy makers, IPR agencies and institutions, including enforcement agencies, customs and police. The scope and sources of this will be further discussed.

Component: Specific intervention areas

Activity no 4: Civil procedures

Chinese judges play an increasingly important role in terms of civil enforcement of IPR but both these judges and scholars experience a lack of access to European precedents and general case law. Increasing numbers of **cross-border cases** with impact beyond China are difficult to handle and raise complex jurisdictional and legal questions. Judges already serving at a higher level will be invited to a regular exchange with colleagues from Europe to discuss recent trends in difficult cases or legal areas.

Project activities with judges will also envisage **improved coordination on enforcement with local courts** and provision of more background material.

Chinese judges need to have **access to European precedents and judgments**. Leading cases must be translated into Chinese and made available to the judiciary.

Activity no 5: Administrative Procedures

In Europe the administrative enforcement of IPR is rare or even absent. Activities in this context will therefore be planned and implemented in the closest cooperation with Chinese legal professionals. Efforts will be made to support the **provincial and local administrative** enforcement bureaus mainly for the

investigation of alleged infringements. Measures will not only concentrate on legislation but on actual enforcement practices as well.

- Enforcement against unfair competition
- Geographical Indications: help to clarify mechanisms for GI protection
- Customs: Introduction of a Rapid Alert System on Counterfeits
- Further issues: potential intervention areas: patents, trademarks, internet, infringements and copyright, etc.

Activity no 6: Support to Right Holders

Right holders need to be informed in a concise and easy-to-understand way about their possibilities to create, protect and value/valorise their intellectual property, e.g. through Roadmaps on IP rights, seminars and building connections between societies in charge of rights' management. **Study materials on European legislation for Chinese universities** and Chinese IPR responsible government agencies will support the process of developing future legislation and decision-making in China.

Moreover, efforts will be made to raise **the awareness of European enterprises** about using the Customs system as early warning and protection system. Direct contact between right holders and Customs authorities will be encouraged and promoted.

Other remarks:

The funds will be provided through TA

From the ROM report no 1

The project overall objective is to support the smooth integration of China into the world trading system and contribute to China's transition to a market economy. China is currently in the process of revising its IPR-related legislation (Anti-Unfair Competition Law), amending it (Trademark Law, Patent Law, Copyright Law) or establishing it (Anti-Monopoly Law), in line with the WTO's Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), and clearly seeks to address European industry concerns. Project purpose is the "improvement of the effectiveness of IPR enforcement in China". Through the organisation of joint seminars and roundtables with Chinese and European experts as well as through conducting studies the project will support China in improving the situation.

The Project's main results are:

1. The Chinese legal framework of IPR laws and regulations is more predictable, transparent, coherent and in line with the WTO agreements.
- 2) Increase capacity of all institutions involved in IPR to handle IPR cases
- 3 and 4) Civil and criminal enforcement improved considerably in terms of speed, efficiency, costs and fair trial
- 5) Administrative enforcement is improved, specifically with regard to the protection of patent rights.
- 6) A database is created, with nationally and internationally available IPR related information.
- 7) IPR is better understood and used by both Chinese and European right holders as a strategic tool for business development.

From ROM report: MR-113142.01, 28/11/2008

Project Background

Since the 1980s, China has promulgated laws and regulations covering almost every area of IPR. It is a member of, or signatory to, most major international treaties and agreements on IPR, and boasts a comprehensive three-tiered system of enforcement via criminal, civil and administrative enforcement channels. Despite the progress made, IPR infringement remains pervasive throughout the country and causes substantial harm to Chinese and European industry and its ability to sustain economic growth. Infringement is caused in part by legislative loopholes that continue to represent a major impediment for European and Chinese rights-holders, as well as a lack of systematic and transparent enforcement at the

town, municipal and even provincial levels. What started out as mostly low value-added poor quality trademark infringement in the 80's and 90's has progressed into high-technology, high-value, extremely sophisticated counterfeiting, headed by increasingly organized criminal gangs. The passing-off of patent technologies, the violation of trade secrets, the creation of Internet-based distribution rings, all add to the complexities already existent in China. The threat to European companies is no longer limited to the rampant imitation of luxury brands. European stakeholders call for urgent action to provide remedial measures in terms of strengthening legislation and the efficiency and transparency with which it is enforced throughout all areas of China. This will ultimately strengthen the EU-China strategic partnership

Intervention Logic

The project overall objective is to support the smooth integration of China into the world trading system and contribute to China's transition to a market economy. China is currently in the process of revising its IPR-related legislation (Anti-Unfair Competition Law), amending it (Trademark Law, Patent Law, Copyright Law) or establishing it (Anti-Monopoly Law), in line with the WTO's Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), and clearly seeks to address European industry concerns. Project purpose is the "improvement of the effectiveness of IPR enforcement in China". Through the organisation of joint seminars and roundtables with Chinese and European experts as well as through conducting studies the project will support China in improving the situation.

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- 7) IPR is better understood and used by both Chinese and European right holders as a strategic tool for business development

1.3.2 Intervention no 2:³

Title: Support to China's Sustainable Trade and Investment System DCI-ASIE/2009/020-127

Budget: 20 000 000 (EC contribution), (beneficiary contribution: 5 million)

Start and end date: 2009-2015 (*96 months according to the FA*)

Objectives and expected results:

Overall objective:

The *overall objective* of the project is to support China's **economic, trade and investment reform** in line with China's sustainable development path.

The proposed project, entitled *Support to China's Sustainable Trade and Investment System*, will provide support for further strengthening policy design and the implementation and enforcement of international trade and investment rules in line with good governance principles at public and private levels for multilateral, regional and bilateral trade and investment issues. It will contribute to the wider benefits for economic and social equality and environmental protection. This is in line with the Chinese government's policy priorities described in the 11th and proposed 12th five year plans. It is thus specifically targeted at Millennium Development Goal (MDG) 8 and its call to "develop further an open trading and financial system that is rule-based, predictable and non-discriminatory [...]"

Specific objective:

The *project's purpose* is to **strengthen the design and implementation of trade and investment policy, legislation and regulation at central and provincial level.**

³ Source: FA-TAP DCI-ASIE/2009/020-127

Expected results:

C1 Service industry:

An **improved regulatory framework** and legal certainty contributed to a pro-competitive market environment leading to productivity growth, new management techniques, greater and faster uptake of technological capacities, new, cheaper and more efficient services and increased overall financial stability all contributed to economic growth.

C2 – Quality infrastructure/technical barriers to trade:

- **C2a:** China's **quality infrastructure** (standards, conformity assessment, testing) further **aligned within international practices**, improving quality and safety of products and services in China and facilitated trade.
- **C2b: Improved cooperation and stronger alliances** build between Chinese **national and provincial quality infrastructure authorities**, institutions and trade associations and related international bodies and counterparts
- **C2c: Improved domestic** capacity to administer standards facilitated trade particularly for **SMEs** and contributed to the further dissemination of information on standards and technical regulations.
- **C2d: Better standardisation and technical regulations** based on international best practice contributed to an improved R&D environment and technical innovation in China
- **C2e: Communication** between quality infrastructure institutions and associations improved
- **C2f:** The role of the demand side was reinforced with **consumers better informed** and organised enabling consumers to participate in better market surveillance mechanisms especially on safety issues.

C3 – Agriculture and agro-food/ sanitary and phyto-sanitary measures:

- Progress made towards a **safer agriculture/ food industry for domestic consumers**, which is more closely harmonised with international standards as to facilitate the export of Chinese agricultural products and meet expectations of both domestic consumers and consumers in export markets.
- Contributed to the **prevention of food safety crisis**.
- **Business operators** better involved in food safety policies and implementation.

C4 – Customs and import/ export regulatory and taxation systems:

- Overall business environment facilitated as a result of **improved efficiency and effectiveness of customs** and import and export of goods through simplified procedures, elimination of duplication and redundancy, reduced transaction costs and time to clear goods as well as increased transparency and accountability in line with international rules and norms.
- **More efficient risk based controls** strengthened administrative capacity and advanced the reform process of China customs and related agencies (incl. local) involved in the control of goods.

C5 Horizontal issues and ad-hoc requests

- Chinese relations with the EU and international trade and investment related bodies enhanced
- **Sustainable development** facilitated through incorporation of **environmentally friendly principles** into trade and investment related legislation and regulation.
- Contributed to improved and **more transparent trade and investment legislation and policy** based on the principles of good governance
- Improved capacity of Chinese institutions in key policy areas related to trade and investment advanced the country's national development agenda and contributed to **poverty alleviation**

Activities:

Related to C1:

- Development of **harmonised and transparent regulations** for the service sector to establish a legislative and regulatory regime that is stable, internally consistent, publicly available and in line with international standards and best practice.
- **Technical assistance and transfer of best practices for pro-competitive reforms** eliminating barriers to investment and to facilitate significant improvements in the service markets in terms of prices, quality, product variety and availability of services

Related to C2:

- **Improving the legislative and regulatory framework** for developing new and revising old technical regulations, standards, conformity assessment, market surveillance and accreditation systems while **strengthening compliance to standards and regulations**, particularly at the **provincial level**.
- **Capacity building to support China's quality infrastructure bodies** and trade and sector associations including establishing and strengthening partnerships/cooperation with international bodies and counterparts.
- **CSR** will be a focus including safety at the work place, where references from the EC Communication on sustainable development and the EC Green Paper on the promotion of CSR, will be important.

Related to C3:

- Technical assistance in line with Chinese Government priorities in food security, **improving food safety and quality** (including animal and plant health related issues), the further modernization and technical upgrading of the agriculture production and food processing sectors and developing off-farm employment, the improvement of the food safety accreditation and testing capacities, the development of effective mechanism for traceability, independent risk assessment and management of crisis.
- **Effective use of fertilizers, pesticides, insecticides** and other chemicals and addressing soil and water pollution and effective/ sustainable GMO policies.
- Further cooperation on **agricultural and rural development policies** (incl. off farm employment) as well as on agricultural services as requested by the Chinese government.
- Development of policies to increase **inter-ministerial cooperation on food safety issues** with all actors involved including customs.

Related to C4:

- **Technical assistance/ capacity building activities, transfer or best practices for:** Improving efficiency and effectiveness of **customs** supervision and control systems, simplification and modernisation of customs procedures; strengthening cooperation with the business community, as well as rules of origin and product classification; additional workshops on Commission customs blueprints, support to the reform process of China customs. Strengthen administration of customs and customs related trade facilitation issues.

Related to C5:

- Improving the **transparency of the legal and policy regime** and **administrative practice** in China in accordance with the principles of good governance and sustainable development where related to trade and investment.
- All issues covered by the WTO, notably in view of China's specific commitments on transparency, supporting transfer of best practice in these areas from the European Union to China
- Providing continued support to **China to participate and actively engage in international fora** related to trade and investment such as the WTO, International Standardisation bodies and relevant other international associations and organisations, through research and training activities.
- Other activities found suitable to promote and increase the awareness of EU and international best practices in the area of trade and investment
- CSR related activities in the context of the EC Communication on sustainable development and the EC Green Paper on the promotion of CSR.

From the ROM report MR-143721.01, 02/12/2011

1. Project Intervention Logic:

The project's overall objective is to support China's economic trade and investment reform in line with China's sustainable development path. The purpose of the project is to strengthen the design and implementation of China's trade and investment policy, legislation and regulation, both at central and provincial levels. The activities of the project focus on core elements of China's sustainable trade and investment system. They are grouped under five linked Components (formulated as results both in the FA and in the current logframe). The first four are sectoral and the last one is horizontal: **Component I** Service Industries; **Component II** Quality Infrastructure and Technical Barriers to Trade; **Component III** Agriculture and Food Safety; **Component IV** Customs and Trade-related Regulatory Systems; **Component V** Cross-Cutting Trade Issues. The intervention strategy for the project components, namely the prioritisation of issues to be addressed and the choice of activities, will be largely determined by the relevant EU-China policy dialogues to promote fair competition, facilitate harmonisation with international standards and promote safe products, improve food safety and quality, modernise customs, encourage a more transparent legal environment and work towards transparency, good governance and sustainable development. The project works at the central administrative level on issues of policy, legislative and regulatory developments and at the provincial level on issues of implementation and enforcement of trade and investment legislation. Support takes the form of expert advice, studies, pilot schemes, development of information portals and databases, capacity building, training, conferences, workshops, study tours and internships. The Chinese Ministry of Commerce (MOFCOM) is the project's executing authority and main stakeholder while each of the components will work with a wide array of Chinese beneficiaries most relevant to the implementation of activities.

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

Summary for each indicator:

- The review of the identification fiche as well as the ROM report of the programme "Support to China's Sustainable Trade and Investment System" shows that it is aligned on the partner country's policies and that the intervention has *"been identified in close consultation with a broad array of relevant Chinese counterparts in order to ensure full consistency with current Chinese policy objectives and national commitments"* (identification fiche). The fiche further highlights: *"Chinese beneficiary organisations have highlighted the great value-added for them of the earlier (still ongoing) Trade Project during its externally performed mid-term review in 2007. They therefore strongly support the proposal to have a new project directed specifically at their needs (unlike the current project, which is an ALA mutual-interest project and therefore designed to serve shared European and Chinese needs).*
- The close collaboration with the Chinese counterpart is also highlighted by the ROM report: *"The beneficiary Chinese institutions are intimately involved in the design of each activity and most of the requests for activities originate on their side. (..) The beneficiaries are involved in this process and final activities are agreed following a process of communication and negotiation. The Chinese beneficiaries are keen to ensure that activities are also of maximum interest to the EU due to its critical importance as a trade partner."*

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Identification fiche for project approach

3. Consistency with Partner Government policies and strategies

Trade has expanded rapidly as the Chinese economy has been opening up to international competition and as foreign direct investment has surged. The most significant step in this process was the official accession of China to the WTO in 2001.

In December 2006 China's five-year WTO transition period formally ended. The country is now needs to create the right framework for further market opening and integration into the global economy. It also needs to work further to translate many formal commitments into real practices on the ground.

China's 11th Five Year Programme (2006 – 2011) identifies the need to establish more *balanced, sustainable economic growth* with strong economic performance achieved through reduced resource inputs, lower environmental impact, more efficient consumption patterns and greater spread of benefits throughout China's different economic sectors and geographic areas. These priorities are addressed through the project's focus on sustainable trade and investment related aspects and facilitating the enforcement of trade policy at the provincial and local levels.

The Programme further underlines China's striving for an *innovation economy* based on higher value-added industries. In order for the Chinese government to be able to realize these objectives for its economy it is of critical importance to develop standards and conformity assessment systems in line with international best practice. The project will support the development of standards for various industry sectors as well as the establishment of stronger institutions and networks for accreditation and certification taking international standards as a benchmark.

The proposed project has been identified in close consultation with a broad array of relevant Chinese counterparts in order to ensure full consistency with current Chinese policy objectives and national commitments. Chinese beneficiary organisations have highlighted the great value-added for them of the earlier (still ongoing) Trade Project during its externally performed mid-term review in 2007.. They therefore strongly support the proposal to have a new project directed specifically at their

needs (unlike the current project, which is an ALA mutual-interest project and therefore designed to serve shared European and Chinese needs).

ROM report MR 143721.01; 2/12/2011

The beneficiary Chinese institutions are intimately involved in the design of each activity and most of the requests for activities originate on their side. The Technical Assistance Team (TAT) gathers relevant design input also from the EU side, both from the relevant sections in the EUD and the relevant Directorate Generals (DGs) in the European Commission (EC). The beneficiaries are involved in this process and final activities are agreed following a process of communication and negotiation. The Chinese beneficiaries are keen to ensure that activities are also of maximum interest to the EU due to its critical importance as a trade partner.

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

2.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

2.1.2.2 I 2.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

Summary for each indicator:

- It is highlighted in the financial agreement as well as confirmed in the Monitoring report of the “Support to China's Sustainable Trade and Investment System” programme, that it is designed specifically to allow flexibility, in order to “*react rapidly to match a fast evolving environment*”.
- One lessons learnt from former TRA project with China was the need to not only support the national legislation and central capacity building, but also emphasis on the provincial level. This has been a guiding principle for the current “Support to Support to China's Sustainable Trade and Investment System” programme. “*The new project will therefore intervene both at the central level with a focus on policy making and at the provincial level focusing on implementation and enforcement.*” (FA, p. 5). Concretely this means that pilot provinces will be selected with a specific focus on least developed provinces. The topic addressed in priority per province shall be decided in a participatory process with relevant stakeholders.
- The ROM report highlights that the process is “need-driven” as well as from the Chinese and EU side.

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Financing Agreement: Annex Technical and Administrative Provision

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Lessons learnt and complementarity

A number of valuable lessons have been highlighted by the mid-term evaluation (MTE, July 2007),

monitoring reports, Chinese beneficiaries of the ongoing project including considerations by WTO members on aid for trade. These lessons have been taken into consideration during the design of the new project;

The principle of flexibility is considered a valuable asset of the current project and will be an integral part of the new project. Following recommendations of the MTE and ROM missions, flexibility is vital to the success of the project (in order to ensure "*its capacity to react rapidly to match a fast evolving environment*" (ROM report 2008). At the same time, the reports also imply that flexibility can sometimes come at the expense of strategic planning; however with the new project operating in a more stable post-WTO environment it will be possible to provide it with a more clearly defined agenda and a clear set of strategic priority areas.

Provincial and central level – it has been a clear recommendation of the MTE and ROM missions to further impact at provincial level. The current project has been commended for its efforts at central policy making level to improve the overall framework, but as provincial and subordinate authorities retain a high level of autonomy in China, it should be a priority of the new project to improve provincial implementation and enforcement of trade and investment related legislation and regulations. The new project will therefore intervene both at the **central level with a focus on policy making and at the provincial level focusing on implementation and enforcement.** To ensure a targeted effort in a country the size of China, and considering the limited resources available to the project, it is necessary to limit activities to carefully selected pilot provinces rather than attempt to cover all provinces to the same extent. Supplementary dissemination and awareness efforts will ensure that a wide geographical coverage across the country can still be provided. The choice of specific pilot provinces will depend on the relevant sector and issue at stake. The selection of pilot province will therefore have to be determined per project and/ or sector activity. The implementation and enforcement of procurement and competition legislation as well as the universal application of national standards including related legislation on food and product safety across the Chinese provinces were mentioned by MOFCOM as particular areas of interest.

As a basis for the **selection of pilot provinces** the ongoing EUCTP will organize a stakeholder workshop in spring 2009, with the objective to develop a matrix providing an **overview of the thematic topic and sector to be addressed per province.** Particular attention will be given to **involve least developed** provinces in the pilots. Where this will not be possible due to a lack of sufficient domestic industry representation or the absence of a sector to be targeted, representatives from least developed and western provinces working on relevant files will be invited to participate in such activities. Following the experience of other projects such as IPR2 it is recommended that the final selection of a pilot province is subject to verification by an expert mission, in particular in those cases where activities cover longer periods or require relatively large amounts of funds.

The following EU funded projects share the same overall strategic objective of contributing to China's economic growth and sustainable economic development: Policy Dialogue Support Facility, IPR2, Social Security Project, EU-China Managers Exchange and Training Programme, Business Management Training Project, Energy and Environment Project, Information Society Project. However, the individual projects' purpose has been designed to ensure a clear separation of responsibilities between these. Therefore at the project management level the main objective is to ensure efficient communication between projects to provide that activity requests are referred to the most relevant project. Where appropriate, complementary actions could be provided by the PDSF, for example providing support to high-level mainly non-trade related dialogues between the EU and China, or **those trade areas, interests or for a not covered under the new trade project, such as the HLM, PCA and the dialogue on Macro-economic and Financial Services and Regulation.**

ROM report MR 143721.01; 2/12/2011

p. 1: Relevance and quality of design

The intervention is highly relevant for both China and the European Union (EU) given that China is now the EU's second trading partner and the biggest source of imports while the EU is China's biggest trading partner. The project design is guided by priority themes identified under the various EU-China trade dialogues, pertaining to the five linked components and the various technical file areas within these components. **Three features of the design explain the project's good performance to a great extent.** Firstly, the design allows a **high degree of flexibility** in activity planning and implementation,

which is required to respond to the dynamic nature of the dialogues. Secondly, each technical file and component of the project **is needs-driven** while representing **strategic trade priorities of both China and the EU**. This not only ensures the best possible sustainability of the project, but also guarantees that any differences of opinion or priority between the partners are dealt with in the spirit of strengthening this partnership. Thirdly, highly appropriate implementation arrangements have played a fundamental role in facilitating a **beneficiary-driven approach** while ensuring opportune input from the EU.

This leads to a win-win situation in which (i) the **dialogues give the technical assistance (TA) teeth and the TA gives the dialogues purpose**, which advances the dialogue priorities and practical trade impacts; (ii) the project activities offered are part of a **strategic partnership** and the EU-China cooperation is not a matter of financial support alone.

The substantially revised and restructured logframe (LF) is being used as a management tool and reflects the large scale and complexity of a project, which shadows and responds to the fast moving policy dialogues. A drawback in the design is that there is no requirement for a description of the baseline situation, which impedes assessing the extent of the achievements over time in a structured manner. This is because **the project responds to external mechanisms and the gain in flexibility and responsiveness is a loss in terms of measuring specific achievements against pre-determined benchmarks**. Despite this limitation, the intervention logic in the revised LF holds true for conditions in China and addresses the needs on the ground and the Project Purpose (PP) should be achievable within the project framework.

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

- 2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)
- 2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these
- 2.1.3.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”
- 2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

2.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

2.3 EQ 3 - To what extent has the Commission's TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

2.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

Summary for each indicator:

- During the programming stage of the EC intervention "Support to China's Sustainable Trade and Investment System, the review of the Identification fiche shows, that EC has analysed the donor landscape and positioned its own TRA intervention accordingly.
- The FA designs the Support to China's Sustainable Trade and Investment System in the way that "*the new trade project can provide technical assistance from a European perspective*" and break with the TRA support of EU Ms, that tackle issues according to their own country experiences and governance approaches.

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Financing Agreement: Annex Technical and Administrative Provision

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1.4 Donor coordination

The European Commission has full competence in the area of international trade and its Member States do not implement separate trade-related technical assistance. Although other bilateral cooperation projects exist, **the US and Japanese do not currently have major TRTA programmes in China while EU MS actions tend to be limited in scope and fragmented.** The project will **work as a mirror for issues of multilateral trade policy and legislative developments thereby providing comprehensive trade related technical assistance to China.**

MS TRTA tends to tackle issues of **technical best practice/themes often relating** to MS experiences in governance approaches or targeted at a particular branch of government or sectors, where MS have competence; **whereas the new trade project can provide technical assistance from a European perspective.** This is particularly relevant considering the technical assistance on implementation and enforcement of trade policy across China's provinces that the project aims to deliver and the European Commission's competence on trade related issues vis-à-vis its Member States. The European experience of applying legislation across its 27 member states therefore is particularly relevant.

Where individual activities overlap with activities of other donors it will be important to ensure that in addition to an overall coordination, activity based coordination through the PTF will occur. **Lists of the project activities and other mandates will be shared with MS via the Trade Councillors meetings** held at the **EC Delegation and the Agriculture councillors meetings.** The project will also closely follow the WTO Aid for Trade initiative and take into considerations the recommendations of the advisory group established by the organisation in 2007**Error! Bookmark not defined.**

The project has been formulated and implemented in compliance with indicators of ownership,

alignment and harmonisation established by the Paris Declaration on Aid Effectiveness.
Type of document

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Summary for each indicator: <ul style="list-style-type: none"> • The FA of the Support to China's Sustainable Trade and Investment System aims at sharing information in regular coordination group such as the "Trade Councillors meeting" held at the EUD or th Agriculture councillors meeting •
Intervention :Support to China's Sustainable Trade and Investment System DCI-ASIE/2009/020-127
Financing Agreement: Annex Technical and Administrative Provision
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<h4>1.4 Donor coordination</h4> <p>The European Commission has full competence in the area of international trade and its Member States do not implement separate trade-related technical assistance. Although other bilateral cooperation projects exist, the US and Japanese do not currently have major TRTA programmes in China while EU MS actions tend to be limited in scope and fragmented. The project will work as a mirror for issues of multilateral trade policy and legislative developments thereby providing comprehensive trade related technical assistance to China.</p> <p>MS TRTA tends to tackle issues of technical best practice/themes often relating to MS experiences in governance approaches or targeted at a particular branch of government or sectors, where MS have competence; whereas the new trade project can provide technical assistance from a European perspective. This is particularly relevant considering the technical assistance on implementation and enforcement of trade policy across China's provinces that the project aims to deliver and the European Commission's competence on trade related issues vis-à-vis its Member States. The European experience of applying legislation across its 27 member states therefore is particularly relevant.</p> <p>Where individual activities overlap with activities of other donors it will be important to ensure that in addition to an overall coordination, activity based coordination through the PTF will occur. Lists of the project activities and other mandates will be shared with MS via the Trade Councillors meetings held at the EC Delegation and the Agriculture councillors meetings.</p> <p>The project will also closely follow the WTO Aid for Trade initiative and take into considerations the recommendations of the advisory group established by the organisation in 2007Error! Bookmark ot defined.</p> <p>The project has been formulated and implemented in compliance with indicators of ownership, alignment and harmonisation established by the Paris Declaration on Aid Effectiveness.</p>
Type of document

- 2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)
- 2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries
- 2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

Summary for each indicator:

- The FA “Support to China's Sustainable Trade and Investment System” highlights the specific added value of the EU as the authority with the Trade competence within the EU MS
-

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Financing Agreement: Annex Technical and Administrative Provision

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1.4 Donor coordination

The European Commission has full competence in the area of international trade and its Member States do not implement separate trade-related technical assistance. (..) EU MS actions tend to be limited in scope and fragmented. The project will **work as a mirror for issues of multilateral trade policy and legislative developments thereby providing comprehensive trade related technical assistance to China.**

(..) the new trade project can provide technical assistance from a European perspective. This is particularly relevant considering the technical assistance on implementation and enforcement of trade policy across China's provinces that the project aims to deliver and the European Commission's competence on trade related issues vis-à-vis its Member States. The European experience of applying legislation across its 27 member states therefore is particularly relevant.

Type of document

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2.4 EQ 4 - To what extent has the Commission's support contributed to an improved trade policy environment at national level?

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

2.4.1.1 I 4.1.3 – Evidence of increased coordination and consultation at national level regarding trade policy mainstreaming

Summary for each indicator:

- The EC project Support to China's Sustainable Trade and Investment System aims at strengthening the provincial and central level at the same time. Support to the central level should be focused on central policy level and the overall framework. Support to the provincial level should strengthening the implementation and enforcement side of trade and investment related legislation and regulation. It is likely that the project will contribute to increased coordination and consultation, as both levels will be forced to work even more closely together. However, at this time no documentation is available that confirms the indented aim of the programme.

Intervention Support to China's Sustainable Trade and Investment System DCI-ASIE/2009/020-127

Financing Agreement: Annex Technical and Administrative Provision

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Provincial and central level – it has been a clear recommendation of the MTE and ROM missions to further impact at provincial level. The current project has been commended for its efforts at central policy making level to improve the overall framework, but as provincial and subordinate authorities retain a high level of autonomy in China, it should be a priority of the new project to improve provincial implementation and enforcement of trade and investment related legislation and regulations. The new project will therefore intervene both at the central level with a focus on policy making and at the provincial level focusing on implementation and enforcement. To ensure a targeted effort in a country the size of China, and considering the limited resources available to the project, it is necessary to limit activities to carefully selected pilot provinces rather than attempt to cover all provinces to the same extent. Supplementary dissemination and awareness efforts will ensure that a wide geographical coverage across the country can still be provided. The choice of specific pilot provinces will depend on the relevant sector and issue at stake. The selection of pilot province will therefore have to be determined per project and/ or sector activity. The implementation and enforcement of procurement and competition legislation as well as the universal application of national standards including related legislation on food and product safety across the Chinese provinces were mentioned by MOFCOM as particular areas of interest.

As a basis for the selection of pilot provinces the ongoing EUCTP will organize a stakeholder workshop in spring 2009, with the objective to develop a matrix providing an overview of the thematic topic and sector to be addressed per province. Particular attention will be given to involve least developed provinces in the pilots. Where this will not be possible due to a lack of sufficient domestic industry representation or the absence of a sector to be targeted, representatives from least developed and western provinces working on relevant files will be invited to participate in such activities. Following the experience of other projects such as IPR2 it is recommended that the final selection of a pilot province is subject to verification by an expert mission, in particular in those cases where activities cover longer periods or require relatively large amounts of funds.

The following EU funded projects share the same overall strategic objective of contributing to China's economic growth and sustainable economic development: Policy Dialogue Support Facility, IPR2, Social Security Project, EU-China Managers Exchange and Training Programme, Business Management Training Project, Energy and Environment Project, Information Society Project. However, the individual projects' purpose has been designed to ensure a clear separation of responsibilities between these. Therefore at the project management level the main objective is to ensure efficient communication between projects to provide that activity requests are referred to the most relevant project. Where

appropriate, complementary actions could be provided by the PDSF, for example providing support to high-level mainly non-trade related dialogues between the EU and China, or those trade areas, interests or for a not covered under the new trade project, such as the HLM, PCA and the dialogue on Macroeconomic and Financial Services and Regulation.

2.4.1.2 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

Summary for each indicator:

- The identification fiche of the project Support to China's Sustainable Trade and Investment System includes a stakeholder analysis, which is however, not very detailed.
- An interesting activity foreseen for this project is the **institutional assessment** that should be carried out during the inception phase. This assessment will focus on the capacity of the system of relevant institutions (standards bodies, local enforcement bodies including provinces and local government) to translate the policy orientation in favour of a liberal but well-regulated trading environment, into appropriate and well-enforced measures on the ground. Furthermore, weaknesses identified during the institutional assessment will allow a more effective and strategic targeting of the project's activities in cluster. At this stage, no documentary evidences are available showing the output of the institutional assessment.

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Identification fiche for project approach

p. 6

5. Stakeholders analysis

The Chinese Ministry of Commerce (MOFCOM) will be the project's main stakeholder while each of the components will have Chinese beneficiaries relevant to the implementation of the component concerned. Apart from acting as China's principal coordination body for grant-based foreign development assistance MOFCOM is also the ministry in charge of the co-ordination, management and implementation of China's WTO commitments.

As a key activity during its inception phase the project **should undertake an institutional assessment**, focused on **the capacity of the system of relevant institutions** (standards bodies, local enforcement bodies including provinces and local government) to translate the policy orientation in favour of a liberal but well-regulated trading environment, into appropriate and well-enforced measures on the ground. The **areas of weakness identified** through this institutional assessment will allow more effective and strategic targeting of the project's **activities in clusters, each representing one of these areas of weakness which need further support**. Since each cluster will generally lie in the policy area of one line DG, this will also help **improve the capacity of line DGs** to give strategic input to a programme which by its nature consists of a very high number of activities, and thus runs the danger of being TA-driven if there is not an adequate guidance structure.

In addition to MOFCOM other main stakeholders of the project which have been consulted in the course of the identification process include:

Government Ministries and other government organisations - China General Administration of Customs, GAC - Ministry of Finance, MOF - Ministry of Agriculture, MOA - General Administration of Quality, Standards, Inspection and Quarantine, AQSIQ - National Development and Reform Commission, NDRC - Ministry of Health, MOH - Ministry of Justice, MOJ - Ministry of Public Security ; - State Council Legislative Affairs Office - Supreme People's Court and Specialised Courts - Supreme People's Procuratorate - Ministry of Industry and Information - Ministry of Transportation - Ministry of Commerce, MOFCOM - State Administration for Industry and Commerce, SAIC - People's Bank of

China, PBOC - China Banking Regulatory Commission, CBRC - China Insurance Regulatory Commission, CIRC - China Securities Regulatory Commission, CSRC - Local and provincial authorities - Line ministries responsible for individual sector and agencies such as the Ministry of Construction and others to be identified.

Associates and indirect beneficiaries

- Trade Associations and Chambers of Commerce - Universities - International Organisations - Standards and Conformity Assessment Bodies

Note: This list may change as a result of government re-organisation or in the light of emerging priorities during project implementation. The list further is subject to confirmation by the formulation mission experts.

Given the Commission's competence in foreign trade policy other bilateral EU or international donors (such as the US, Japan, Australia or Canada) generally refrain from interventions of the kind foreseen to be provided by this new Support to China's Sustainable Trade and Investment System project.

2.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

Summary for each indicator:

Support to China's Sustainable Trade and Investment System

- Although the project *Support to China's Sustainable Trade and Investment System* has started only in 2009, the first monitoring report (end of 2011) acknowledge first results, such as an **improved regulatory framework and legal certainty in the services statistics sector** and the **technical documents produced supporting the registration of 10 EU and 10 Chinese agricultural geographical indicators**.
- Further results of EC support are .g. encouraged acceptance of new concepts based on EU best practice, supplementary legislation/regulations under preparation in a number of priority areas and improved quality of customs trade statistics in process including a signed agreement on data exchange. Another example is that progress is being made on getting China to recognise the EU as a single market for food safety/sanitary and phytosanitary (SPS) and this offers sound prospects for future impact.
- Furthermore, the policy dialogue and the non-financial support, seems to be important achievements of the project, according to the MR.

EU-China Project on the Protection of Intellectual Property Rights 11 (IPR 11), ASIE/2006/018-178

- According to the first monitoring report, the project shows first results already one year after the start of the implementation, namely:
 - Activities related to legal framework, capacity building, access to information, and support to right holders with publications and 'roadmaps' were well implemented. Some activities regarding enforcement (civil, administrative and criminal) were postponed. .
 - Results delivered mainly **consist of training programmes and study tours** in Europe for those **people involved in legislative reform**: Revision of Patent Law; implementation of IP strategy and perfection of IP system, IPR judicial protection and IP protection at Trade Fairs. The quality of results delivered to date is good, according to the MR1.
- Furthermore, **interest from high level representatives is reported** to be very positive. E.g. Legislative Affairs Office (LAO), State Intellectual Property Office (SIPO), Ministry of Industry and Information Technology (MIIT), Supreme People's Court (SPC) have shown a great responsiveness to project results and are using the **training received** according to their

respective needs, applying the knowledge acquired in legal reforms underway in China such as the Patent Law reform.

- More **specific requests on IPR issues** are coming from **national agencies**, which proved a positive tendency from the previous IPR phase. Discussions are at the same level of knowledge both from EU and Chinese side. Industry is clearly involved and active in project activities. The **quality of the trainings is perceived as high and useful**. The quality of results is reasonable according to the short project implementation period. However, it is difficult to measure so far if the number of cases transferred to criminal enforcement has increased, according to the MR 1.
- The EAMRs of 2010 details the results achieved more in detail (which reform etc), see below.

Intervention Support to China's Sustainable Trade and Investment System DCI-ASIE/2009/020-127

ROM report MR 143721.01; 2/12/2011

p. 3

Effectiveness to date Even at this early stage in implementation, the project is achieving results and making an important contribution to the policy dialogues including expanding and deepening an understanding of key issues, unblocking agreed bottlenecks, setting up additional working level meetings and advising on drafting of legislative and regulatory processes.

Two examples of numerous results achieved are the key contributions to an **improved regulatory framework and legal certainty in the services statistics sector** and the **technical documents produced supporting the registration of 10 EU and 10 Chinese agricultural geographical indicators**.

The likelihood of fully achieving the project purpose is strong. A huge effort is expended by the TAT/PTF on the design and preparation of activities - e.g. beneficiaries are very much involved and this ensures the relevance of the activities and an uncompromising focus on the needs to be met and the results to be achieved. Only high-level participants are selected (on both the China and EU sides) and the project provides **China with an invaluable entry point to EU best practice across the 33 technical files**. This is something which money cannot buy and of which the Chinese beneficiaries are highly appreciative.

On the negative side, **two factors are so far hindering an objective assessment of the project's overall degree of effectiveness**. Firstly, the **reporting to date on progress towards results is activity-based** and not cumulative and secondly it does **not include benchmarks data** on the baseline situation. This is a function of a project which follows the policy dialogues and in some ways is responding to future unknowns. However, the absence of such data makes it difficult to judge progress aggregately over time.

Impact prospects

Impacts prospects are clearly positive. The **strategy of the project is to deliver low cost/high impact activities** which in Year 1 have been focussed more on the mid rather than the long-term process. Most of the project outcomes will in the longer-run positively impact on the quality of China's trade and investment policies. **The most immediate impact, recognised by all the beneficiaries and stakeholders is that it has accelerated relevant trade policy dialogues** and enhanced their quality as well as **encouraging the acceptance of new concepts based on EU best practice**. The impact is expected to increase and will be more clearly demonstrated by the end of Year 5 when assessing the final project outcomes at an aggregate level against relevant indicators. There are already examples of impacts which beneficiaries are experiencing in the short-term **such as the supplementary legislation/regulations** under preparation in a number of **priority areas and improved quality of customs trade statistics in process including a signed agreement on data exchange**. Another example is that progress is being made on getting China to recognise the EU as a single market for food safety/sanitary and phytosanitary (SPS) and this offers sound prospects for future impact. The challenge will be to assess impacts at a higher level as the project unfolds.

Potential sustainability

The project is well embedded in the on-going and politically prioritised process of economic trade and investment reform and its strategic link with the policy dialogues will ensure the best possible sustainability of the action. Activities contributing to change in the beneficiary organisations are

sustainable. **A good example is that the Ministry of Health is planning to establish a food safety centre following the project interventions.** Once a new trade-related legislation is passed and regulations adopted in the future this will also demonstrate sustainability. The project activities are increasingly leading to the development of sustainable links with EU bodies relevant to the policy dialogues and invaluable entry points and contacts are being established at very high levels. This is not a typical model for sustainability but is fitting for an intervention which is closer to a strategic partnership encompassing a range of low cost/high impact activities to which the Chinese are already contributing up to 30-35% of the costs. Even though it is early days yet, there is no reason why this partnership will not prosper beyond the timescale of the project.

Type of document

EU-China Project on the Protection of Intellectual Property Rights 11 (IPR 11), ASIE/2006/018-178

ROM report no1: MR-113142.01, 28/11/2008

The project is in its first year of implementation. It suffered initial delays including the recruitment of full project team and setting up the project office but it is already on track. (.). The project is very well managed on day-to-day basis with a good and professional team. Inputs have been available on time and at planned cost. Financial resources are managed in a very transparent way from the EPO in Munich.

Activities have been implemented as planned covering all components except for C VI-trademarks and design. Activities related to legal framework, capacity building, access to information, and support to right holders with publications and ‘roadmaps’ were well implemented. Some activities regarding enforcement (civil, administrative and criminal) were postponed. Results delivered mainly consist of training programmes and study tours in Europe for those people involved in legislative reform: Revision of Patent Law; implementation of IP strategy and perfection of IP system, IPR judicial protection and IP protection at Trade Fairs. To improve the internal monitoring exercise, it has been decided that a full time person will be dedicated to internal monitoring aspects. The quality of results delivered to date is good.

Effectiveness

Interest from high level representatives is reported to be very positive. Legislative Affairs Office (LAO), State Intellectual Property Office (SIPO), Ministry of Industry and Information Technology (MIIT), Supreme People's Court (SPC) have shown a great responsiveness to project results and are using the training received according to their respective needs, applying the knowledge acquired in legal reforms underway in China such as the Patent Law reform. More specific requests on IPR issues are coming from national agencies, which proved a positive tendency from the previous IPR phase. Discussions are at the same level of knowledge both from EU and Chinese side. Industry is clearly involved and active in project activities. The quality of the trainings is perceived as high and useful. The quality of results is reasonable according to the short project implementation period. However, it is difficult to measure so far if the number of cases transferred to criminal enforcement has increased. Adjustments of IPR legislation are likely to be done but still there is a need of time.

Impact prospects

Main project's challenge

is to achieve appropriate level of IPR enforcement at industry sector. A transition period of time to insert new IPR concepts in Chinese society is needed. Nevertheless, it will be a social and cultural impact for Chinese society. Within one year time it will be able to measure project impact.

ROM report no2: MR-113142.02, 18/11/2010

Relevance

Legislative inputs, training and awareness activities have fostered a good understanding of IPR protection modalities and practices and their legal, practical and commercial implications.

Effectiveness

Project activities have been carried out in view of contributing to the achievement of results, which now total 8 (adding the realisation of a sustainable EU-China local and provincial network for industry), rather than the initial 7, following the project Mid Term Review (MTR, August 2009). Despite the absence of tools to measure results (due in part by the lack of macro or micro indicators), **IPR II training,**

exchange and awareness modalities are usually dynamic ‘ comprising trade fair mediation, moot courts, case simulation, research and feasibility on topical policy issues and expert exchange ‘ and are therefore effective and likely to contribute to overall results of the project’s core activities.

Examples include the strengthening of the Chinese legal framework of IP laws in the areas of trademarks, patents, copyright and civil procedure laws and the preparation of judicial interpretations that ultimately supported the work of the Supreme People's Court (SPC).

Similarly, activities focusing on the identification of unfair business practices and GIs are expected to be paving the way for more substantial legal improvements. Technical capacity of Chinese IPR stakeholders has been given support in IPR enforcement, IP policy drafting and implementation and criminal, civil and administrative enforcement.

At the same time, replication potential is limited due to the specificities of the Chinese context. Train-the-trainer techniques cannot always be used as they require staff allocations that agencies cannot meet and the size of the workforce is often overwhelming. The project is expected to make a fairly good contribution to the Project Purpose however this is difficult to measure without quantified baseline indicators (whose definition and assembly is complex, for most IPR II activities). Risks and assumptions have not been defined at the level of results and this would most likely enable a better articulation of potential project achievements.

Impacts

Yet there are definite signs of impact prospects even if the one-off nature of IPR II activities significantly complicates impact measurement. Also, ‘soft’ outcomes relating to IPR protection awareness are contributing to confidence building between the EU and China and a better understanding of complex IPR technicalities by market operators.

Examples of potential impact exist. Successful and timely trade fair mediation has been conducted and IPR II was able to react quickly to the growing importance of GIs to European operators by means of a feasibility review which facilitated the EU-China negotiation context.

EAMR December 2010.

Major Achievements (if any) and examples of impact achieved

- Revision of the legal framework governing the protection of patents has been the focus of the cooperation. Results include the **promulgation of the revised Patent Law**, the amendment to the Patent Law Implementing Regulations amended, the **Judicial Interpretation on the Adjudication of Patent Infringement Disputes**; the **draft amendments to Trademark Law** and the **Judicial Interpretations on Well-Known TM**. Moreover, several activities focusing on issues relevant to the legal framework governing unfair business practices, including trade secret promotions, advertising, commercial bribery, etc, resulted in the promulgation of the Interim Measure of the Administration of Online Commodities Transaction and Relevant Series of July 2010
- Support to negotiations in the area of geographical indications and civil procedure in the recommendations to the political level to launch the administrative procedure for the mutual recognition of 10+10 GIs started with an initial study on notarisation and legalisation requirements.
- In the field of criminal enforcement, IPR2 supported activities aimed at strengthening the capacity of relevant institutions, with the cooperation of the Supreme People’s Procuratorate (SPP) and the Ministry of Public Security, consultations between Chinese and European judges on a wide range of topics pertaining to the adjudication of IP cases.
- Administrative enforcement also includes the initiative developed under Mofcom on the protection of IP at international Trade fairs, resulting in the provision of a new IPR Mediation Service at European Tad Fairs, the publication of a Charter for the mediation service and the signature of an MoU between CCPIT and Hanover Trade Fair
- The IPR2, in cooperation with EPO, OHIM, implemented a 2 days highly visible event at the Shanghai EXPO.

All publications, training materials and relevant reference materials are being compiled in an online repository as a Document Centre for wider public reference. In addition, a physical and electronic collection is available for experts and beneficiaries at the project premises.

EAMR July 2010.

iii) Actions to be undertaken and by whom

There is a recurrent request from MofCOM to **maintain the cooperation on IPR with the EU**. The **DEL suggests to HQ to take this request into consideration as there is a real need to support raising IPR awareness in China**. The cooperation could be limited to:

a) quality and legal certainty of IP rights;

b) long term expert exchanges with privileged partners (judges' college, prosecutors, international police and customs' cooperation)

c) IPR and new technologies (green technologies, transfer of technologies, certifications, etc).

Country strategy evaluation, 2007

Vol 1, p. 25-26

b. Yet, as two final evaluations (IPR1 and WTO1) have noted, the impact of EC cooperation is difficult to assess. Part of the problem is one of size and complexity. (...)Almost all the evaluations have been able to conclude with certainty is that **capacity was formed and awareness of issues raised**. Not cited in the evaluations, but obvious from interviews with relevant officials, is that EC sector dialogues and cooperation projects have **encouraged European approaches to standards, IPR, geographical indications, competition policy, and other areas. Specific successes** in the form of adopting **European environmental standards** may be cited. The reason for these achievements is, in large part, **the adequate level of expertise on call at the Delegation**.

Yet, the problem of attribution remains. To take a concrete example, in the last quarter of 2006 there were a number of high-profile Chinese decisions tightening the enforcement of IPRs. Was this ascribable to the EC's engagement in the area? Some of it no doubt is, some is ascribable to pressure from the U.S. and Japan, and some to changes in Chinese policy priorities that were entirely independent of international influence. The impossibility of quantitatively ascribing impact should not be interpreted as meaning that impacts have been weak.

d. **Enforcement problems** deserve to be split into two categories – those due to **lack of capacity or awareness** and those due to **lack of political will**. Problems arising from the first can and should be addressed by projects such as IPR2 concentrating on policy implementation as opposed to formulation. Problems arising from the second are essentially intractable from a cooperation point of view and should be dealt with in political dialogue.

Figure 1: Graphic illustration of assessment in the trade sector, CSE 2007, Vol 1, p. 26

International economic integration (T)	
EC's contribution to progress	
WTO related	Significant
Norms & standards	Significant
IPR	Significant
Policy implementation	Limited

2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

2.4.2.4 I 4.2.4 Changes of 'customer' satisfaction related to the output produced by trade-related public institutions

2.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

2.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations

2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations

2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

2.5 EQ 5 - To what extent has the Commission's TRA to trade facilitation contributed to reducing trade-related transaction costs?

2.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

2.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced

2.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

CSE 2007

Vol 1, p. 66

In the area of **SPS**, problems have been noted in the following areas: **protocol negotiations with Member States** (not fully implemented), **approval of establishments** (China insists on approving them one by one), **temporary import restrictions and public health measures** (over-restrictive relative to international practice; cumbersome to lift), and **burdensome and inconsistent application of requirements** (which are higher for imported than domestic products; inconsistency across ministries, across border crossing points between State and provincial levels, between provinces).

2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

2.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

2.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)

Summary for each indicator:

- According to the ROM report, the project EU-China Project on the Protection of Intellectual Property Rights 11 (IPR 11) provided support to the future elaboration of the customs action plan.

EU-China Project on the Protection of Intellectual Property Rights 11 (IPR 11), ASIE/2006/018-178

ROM report no2: MR-113142.02, 18/11/2010

Effectiveness

Examples of potential impact exist.

Also, **essential groundwork for the customs action plan** was carried out thereby contributing to improved vision and understanding.

- 2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)
- 2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

2.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

CSE 2007

Vol 1, p. 66-68

All evidence indicates that the major European concerns in the area of imports of goods have to do with **NTBs, especially standards**. While all countries use standards for protectionist purposes, China does so more than most. It was estimated that in 2005 about one third of the standards, the same as in 2002, were consistent with international practice.

In the area of **SPS**, problems have been noted in the following areas: **protocol negotiations with Member States** (not fully implemented), **approval of establishments** (China insists on approving them one by one), **temporary import restrictions and public health measures** (over-restrictive relative to international practice; cumbersome to lift), and **burdensome and inconsistent application of requirements** (which are higher for imported than domestic products; inconsistency across ministries, across border crossing points between State and provincial levels, between provinces). (..)

A cross-cutting concern is the **complexity of the standards system in China**. There are 75 offices writing industrial standards, while the SPS regime and inspection procedures are highly non-transparent

As NTBs have assumed growing importance, there has been an expansion in the involvement of the EC in addressing the issue. The **Sector Dialogue on Industrial Products and Technical Barriers to Trade** (created October 2001) has a **horizontal Working Group on Standards** and a **horizontal Working Group on TBT and Conformity**, in addition to nine sectoral Working Groups in areas from cosmetics to automobiles. There is also a **Sector Dialogue on SPS** initiated in October 2004. A wide **range of WTO1 and EUCTP activities supported European policy objectives in the area of SPS** (see WTO1 / EUCTP Special Focus in annex 2 of volume 2). There have been some high-profile successes in promoting European approaches to standards. The Chinese adoption of European auto-emission standards is widely credited to EC cooperation in the form of the *Vehicle Emissions Project*. China is also in the process of conforming to the *Restrictions on the Use of Certain Hazardous Substances* (RoHS) and *Waste of Electronic and Electrical Equipment* (WEEE) standards. In the context of the **Information Society Sector Dialogue** of April 2004, various memoranda of understanding have included promises to promote cooperation in the development of commonly agreed standards and cooperation on certification. A major component of the EC's approach to helping China meet its WTO obligations has been bolstering the capacity of the EC Delegation. New experts and seconded officials have been put in place in the areas of agriculture, standards, ICT / information society, and environment (in addition to IPRs, discussed below).

Very roughly speaking, the addition of this extra staff may have doubled the capacity of the Trade and Economic Section to support TA projects, discuss issues with GoC counterparts, and pass information on the situation back to Brussels. Non-Delegation experts interviewed particularly appreciated the presence of specialists as opposed to generalists, a trend which has upgraded the quality of discussions with GoC experts.

2.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

2.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

2.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

2.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

2.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

2.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies

2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies

2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 JC 6.4 - Cost of compliance reduced

2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance

2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

2.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

2.7.1 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

2.7.1.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

2.7.1.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

2.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

- 2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government
- 2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

- 2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements
- 2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns
- 2.8.2.3 I 8.2.5 - Availability of quality investors' information/guides

2.8.3 JC 8.3 Improved access to trade finance

- 2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed

Summary for each indicator:

- xxyx
-

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One of these is **the financial services area**. Restrictions on the operations of foreign banks and insurance companies have declined gradually over time and by mid-2005 there were 225 licensed banks operating in China. In November 2006, China issued landmark regulations purporting to remove all WTO-inconsistent limits on the entry of foreign banks into the Chinese market. Industry response was muted. Local incorporation rules and other bureaucratic hurdles appear designed to soften the competitive blow to Chinese banks, but capital requirements were set far lower than foreign bankers had feared. International bankers admitted that they had been consulted throughout the process and that the resulting requirements for operating in China were less onerous than they had feared.

The EC Delegation has officials dedicated both to financial and non-financial services, as well as a seconded official who is an expert in ICT / information society. EUCTP has provided policy advice in the area of services with studies related to regulation of the construction industry, the outsourcing of ICT services, and liberalisation of the retail sector (see WTO1 / EUCTP Special Focus). In each case, the emphasis was on sharing European approach and experiences. The EC *Financial Services Project* (FSP) was focused more on regulatory reform than liberalising import barriers, but invariably the progress made on regulation had positive benefits for European firms wishing to compete in the Chinese market.

2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

2.8.4 **JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)**

2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors

2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors

2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).

Summary for each indicator:

- EU-China Project on the Protection of Intellectual Property Rights 11 (IPR 11), According to the ROM report the involvement in IPR II activities of **industrial operators, SMEs and family businesses** has proven a valuable basis for application of lessons learned. Furthermore “ *A greater familiarity with European IPR regulations and market specificities has allowed **SMEs to better understand** the significance of issues relating to e.g. industrial design and infringement risks. Clarifications and procedures on industrial design have been provided to Chinese SMEs and family companies. Overall, these and other contributions were made in a changing context where IPR enforcement is discussed constructively rather than perceived negatively.* ”
- Within the same project, activities focusing on the identification of **unfair business practices and GIs** are expected to be **paving the way for more substantial legal improvements**. Technical capacity of Chinese IPR stakeholders has been given support in IPR enforcement, IP policy drafting and implementation and criminal, civil and administrative enforcement. (ROM report no 2)

EU-China Project on the Protection of Intellectual Property Rights 11 (IPR 11), ASIE/2006/018-178

ROM report no2: MR-113142.02, 18/11/2010

Effectiveness

Project activities have been carried out in view of contributing to the achievement of results, which now total 8 (adding the realisation of a **sustainable EU-China local and provincial network for industry**), rather than the initial 7, following the project Mid Term Review (MTR, August 2009). Despite the absence of tools to measure results (due in part by the lack of macro or micro indicators), IPR II training, exchange and awareness modalities are usually dynamic ‘ comprising trade fair mediation, moot courts, case simulation, research and feasibility on topical policy issues and expert exchange ‘ and are therefore effective **and likely to contribute to overall results** of the project's core activities.

Examples include : (...)

Similarly, activities focusing on the identification of **unfair business practices and GIs** are expected to be **paving the way for more substantial legal improvements**. Technical capacity of Chinese IPR stakeholders has been given support in IPR enforcement, IP policy drafting and implementation and criminal, civil and administrative enforcement.

Involvement in IPR II activities of **industrial operators, SMEs and family businesses** has proven a valuable basis for application of lessons learned.

At the same time, replication potential is limited due to the specificities of the Chinese context. Train-the-trainer techniques cannot always be used as they require staff allocations that agencies cannot meet and the size of the workforce is often overwhelming. The project is expected to make a fairly good contribution to the Project Purpose however this is difficult to measure without quantified baseline indicators (whose definition and assembly is complex, for most IPR II activities). Risks and assumptions have not been defined at the level of results and this would most likely enable a better articulation of potential project achievements.

Impacts

Yet there are definite signs of impact prospects even if the one-off nature of IPR II activities significantly complicates impact measurement. Also, ‘soft’ outcomes relating to IPR protection awareness are contributing to confidence building between the EU and China and a better understanding of complex

IPR technicalities by market operators.

Examples of potential impact exist. Successful and timely **trade fair mediation** has been conducted and IPR II was able to react quickly to the growing importance of GIs to European operators by means of a feasibility review which facilitated the EU-China negotiation context.

Chinese counterparts and beneficiaries have demonstrated quick learning. A greater familiarity with European IPR regulations and market specificities has allowed **SMEs to better understand** the significance of issues relating to e.g. industrial design and infringement risks. Clarifications and procedures on industrial design have been provided to Chinese SMEs and family companies. Overall, these and other contributions were made in a changing context where IPR enforcement is discussed constructively rather than perceived negatively.

2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

2.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

Summary for each indicator: <ul style="list-style-type: none">• According to the EAMR report of July 2010 during the preparation of the project Support to China's Sustainable Trade and Investment System many questions were raised regarding poverty alleviation impacts of the project. As the Financial Agreement reflects issues related to poverty reduction in specific geographical areas have been taken into account.• The ROM reports state that some cross-cutting issues, such as environment and governance have been integrated due to the close association with the issues tackled with during the project. Subjects not at all relevant to the topics treated in the project, such as gender have not been incorporated.
Intervention Support to China's Sustainable Trade and Investment System DCI-ASIE/2009/020-127
ROM report MR 143721.01; 2/12/2011
Some cross-cutting issues such as environment and governance are integrated because they are associated with the technical files covered by the project (e.g. sustainable trade and low carbon economy; corporate governance in the financial sector, etc). Other cross-cutting issues such as gender have not been incorporated
EAMR July 2010
ii) Major obstacles encountered in this period During project preparation many questions were raised regarding the poverty alleviation impact of the project. The project was adapted accordingly, while in parallel, the process is underway to include China in the ICI+. Given the great interest in this project, COM and DEL has to manage expectations with regards to the timing of project start-up.

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

Summary for each indicator: <ul style="list-style-type: none">• The CSE of 2007 noted that issues related to poverty and “winner and losers” have not been well integrated in the trade projects. This conclusion seems to have been heard, as the 2009 Support to China's Sustainable Trade and Investment System, addresses this issue explicitly• The project Support to China's Sustainable Trade and Investment System gives a particular attention to the least developed provinces within the project sample.•
Intervention Support to China's Sustainable Trade and Investment System DCI-ASIE/2009/020-127

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Lessons learnt and complementarity

Provincial and central level – it has been a clear recommendation of the MTE and ROM missions to further impact at provincial level. The current project has been commended for its efforts at central policy making level to improve the overall framework, but as provincial and subordinate authorities retain a high level of autonomy in China, it should be a priority of the new project to improve provincial implementation and enforcement of trade and investment related legislation and regulations. (..)

The **choice of specific pilot provinces** will depend on the relevant sector and issue at stake. The selection of pilot province will therefore have to be determined per project and/ or sector activity. The implementation and enforcement of procurement and competition legislation as well as the universal application of national standards including related legislation on food and product safety across the Chinese provinces were mentioned by MOFCOM as particular areas of interest.

As a basis for the **selection of pilot provinces** the ongoing EUCTP will organize a stakeholder workshop in spring 2009, with the objective to develop a matrix providing an **overview of the thematic topic and sector to be addressed per province**. Particular attention will be given to **involve least developed** provinces in the pilots. Where this will not be possible due to a lack of sufficient domestic industry representation or the absence of a sector to be targeted, representatives from least developed and western provinces working on relevant files will be invited to participate in such activities. Following the experience of other projects such as IPR2 it is recommended that the final selection of a pilot province is subject to verification by an expert mission, in particular in those cases where activities cover longer periods or require relatively large amounts of funds.

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e. In general, the wide range of sector themes has been well integrated into EC trade cooperation. However, just as poverty and the theme of “winners and losers” have not been well integrated into economic and social reform projects, the same can be said for trade. For example, the issue of poor IPR enforcement cannot be separated from the impact that enforcement would have on employment in many provinces and municipalities. Corporate social responsibility, a human rights issue, has clear links with trade, and is an emerging issue at the European Chamber of Commerce in China.

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Quotas affecting trade appear to be a **problem of diminishing significance**. Import quotas were discontinued at the end of 2004 and import prohibitions and licensing procedures have been reduced. However, tariff-quotas and state trading remain in force in some areas related to agricultural products and fertilizers. **A Textile Trade sector dialogue** was introduced in **May 2004** in the context of the phase-out of export quotas. **The EUCTP does not appear to have made any specific contribution in the area of import quotas**. The **posting to the EC Delegation of an official seconded from DG AGRI** will facilitate discussions in the area of state agricultural pricing and tariff-quotas. This posting, in recognition of the fact that agriculture has become a major issue in the EU-China trade dialogue, is a major step in the EC's engagement on trade issues with China. It marks a **significant change in the EC's approach towards rural and agricultural development**, namely a refocusing from rural poverty towards agricultural system-wide evolution.

JC 9.3 - TRA supported enforcement of ILO standards

2.9.2.3 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

2.9.2.4 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

2.10 Further important findings/text extractions, not attributable to one specific indicator

Summary for each indicator:

- Policy dialogue in non-BS countries
- Intellectual property rights

Intervention Support to China's Sustainable Trade and Investment System DCI-ASIE/2009/020-127

ROM report MR 143721.01; 2/12/2011

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Effectiveness to date Even at this early stage in implementation, the project is achieving results and making an **important contribution to the policy dialogues** including expanding and deepening an understanding of key issues, unblocking agreed bottlenecks, setting up additional working level meetings and advising on drafting of legislative and regulatory processes. Two examples of numerous results achieved are the key contributions to an improved regulatory framework and legal certainty in the services statistics sector and the technical documents produced supporting the registration of 10 EU and 10 Chinese agricultural geographical indicators. The likelihood of fully achieving the project purpose is strong. A huge effort is expended by the TAT/PTF on the design and preparation of activities - e.g. beneficiaries are very much involved and this ensures the relevance of the activities and an uncompromising focus on the needs to be met and the results to be achieved. Only high-level participants are selected (on both the China and EU sides) and the project provides China with an invaluable entry point to EU best practice across the 33 technical files. This is something which money cannot buy and of which the Chinese beneficiaries are highly appreciative. On the negative side, two factors are so far hindering an objective assessment of the project's overall degree of effectiveness. Firstly, the reporting to date on progress towards results is activity-based and not cumulative and secondly it does not include benchmarks data on the baseline situation. This is a function of a project which follows the policy dialogues and in some ways is responding to future unknowns. However, the absence of such data makes it difficult to judge progress aggregately over time.

Impact prospects

Impacts prospects are clearly positive. The strategy of the project is to deliver low cost/high impact activities which in Year 1 have been focussed more on the mid rather than the long-term process. Most of the project outcomes will in the longer-run positively impact on the quality of China's trade and investment policies. **The most immediate impact, recognised by all the beneficiaries and stakeholders is that it has accelerated relevant trade policy dialogues** and enhanced their quality as well as encouraging the acceptance of new concepts based on EU best practice. The impact is expected to increase and will be more clearly demonstrated by the end of Year 5 when assessing the final project outcomes at an aggregate level against relevant indicators. There are already examples of impacts which beneficiaries are experiencing in the short-term **such as the supplementary legislation/regulations under preparation in a number of priority areas and improved quality of customs trade statistics in process including a signed agreement on data exchange**. Another example is that progress is being made on getting China to recognise the EU as a single market for food safety/sanitary and phytosanitary (SPS) and this offers sound prospects for future impact. The challenge will be to assess impacts at a higher level as the project unfolds.

Potential sustainability

The project is well embedded in the on-going and politically prioritised process of economic trade and

investment reform and its strategic link with the policy dialogues will ensure the best possible sustainability of the action. Activities contributing to change in the beneficiary organisations are sustainable. A good example is that the Ministry of Health is planning to establish a food safety centre following the project interventions. Once a new trade-related legislation is passed and regulations adopted in the future this will also demonstrate sustainability. The project activities are increasingly leading to the development of sustainable links with EU bodies relevant to the policy dialogues and invaluable entry points and contacts are being established at very high levels. This is not a typical model for sustainability but is fitting for an intervention which is closer to a strategic partnership encompassing a range of low cost/high impact activities to which the Chinese are already contributing up to 30-35% of the costs. Even though it is early days yet, there is no reason why this partnership will not prosper beyond the timescale of the project.

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a. The EU has a major policy stake in ensuring that China is a trustworthy partner in the international trading system. The EC engagement with China, i.e. **the sector dialogues** and cooperation programme, has reflected this goal. **A comprehensive range of sector dialogues has been implemented since 2001** and, as **evidenced by new dialogues on trade and sustainable development, the employment, labour, social, and environmental aspects of trade**, this range continues to expand. (..)

Almost all the evaluations have been able to conclude with certainty is that **capacity was formed and awareness of issues raised**. Not cited in the evaluations, but obvious from interviews with relevant officials, is that EC sector dialogues and cooperation projects have **encouraged European approaches to standards, IPR, geographical indications, competition policy, and other areas. Specific successes** in the form of adopting **European environmental standards** may be cited. The reason for these achievements is, in large part, **the adequate level of expertise on call at the Delegation**.

Yet, the problem of attribution remains. To take a concrete example, in the last quarter of 2006 there were a number of high-profile Chinese decisions tightening the enforcement of IPRs. Was this ascribable to the EC's engagement in the area? Some of it no doubt is, some is ascribable to pressure from the U.S. and Japan, and some to changes in Chinese policy priorities that were entirely independent of international influence. The impossibility of quantitatively ascribing impact should not be interpreted as meaning that impacts have been weak.

d. **Enforcement problems** deserve to be split into two categories – those due to **lack of capacity or awareness** and those due to **lack of political will**. Problems arising from the first can and should be addressed by projects such as IPR2 concentrating on policy implementation as opposed to formulation. Problems arising from the second are essentially intractable from a cooperation point of view and should be dealt with in political dialogue.

Figure 2: Diagramme of the Economic and Trade Relations EU-China dialogue strategy from 1998-2006; CSE, vol 2, p. 70

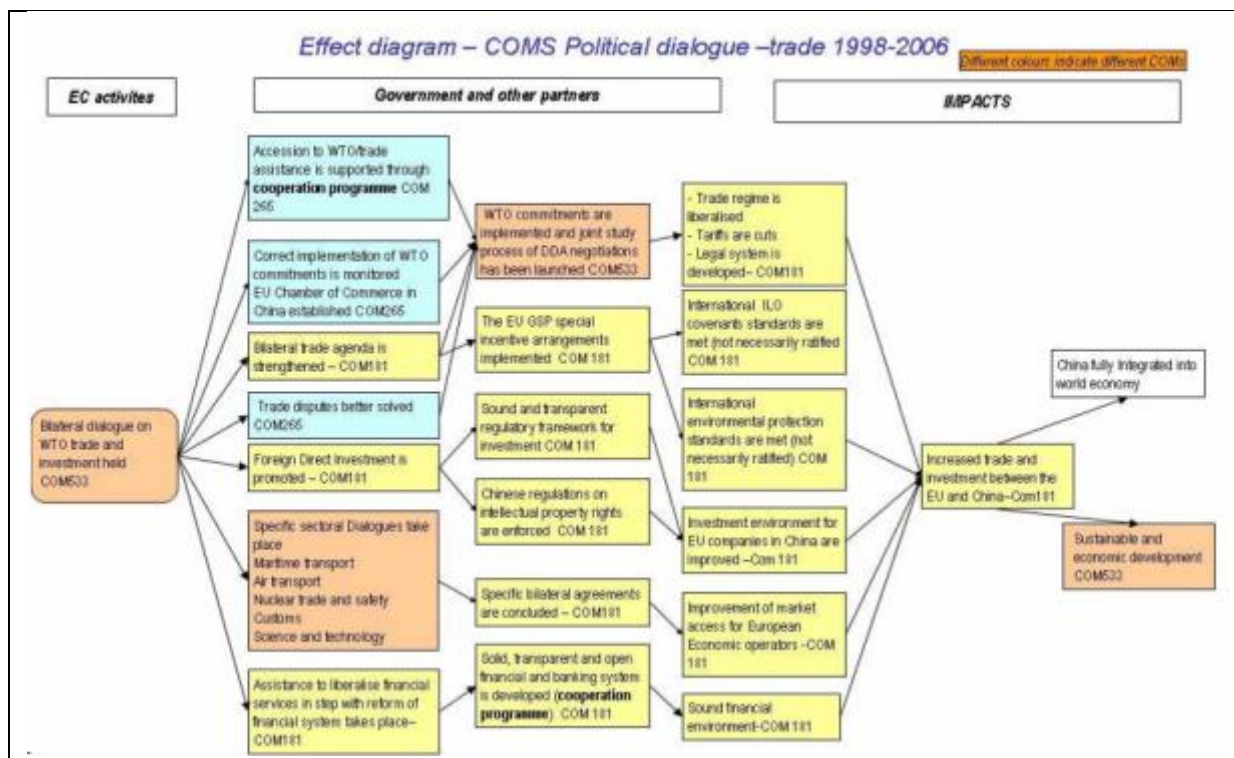
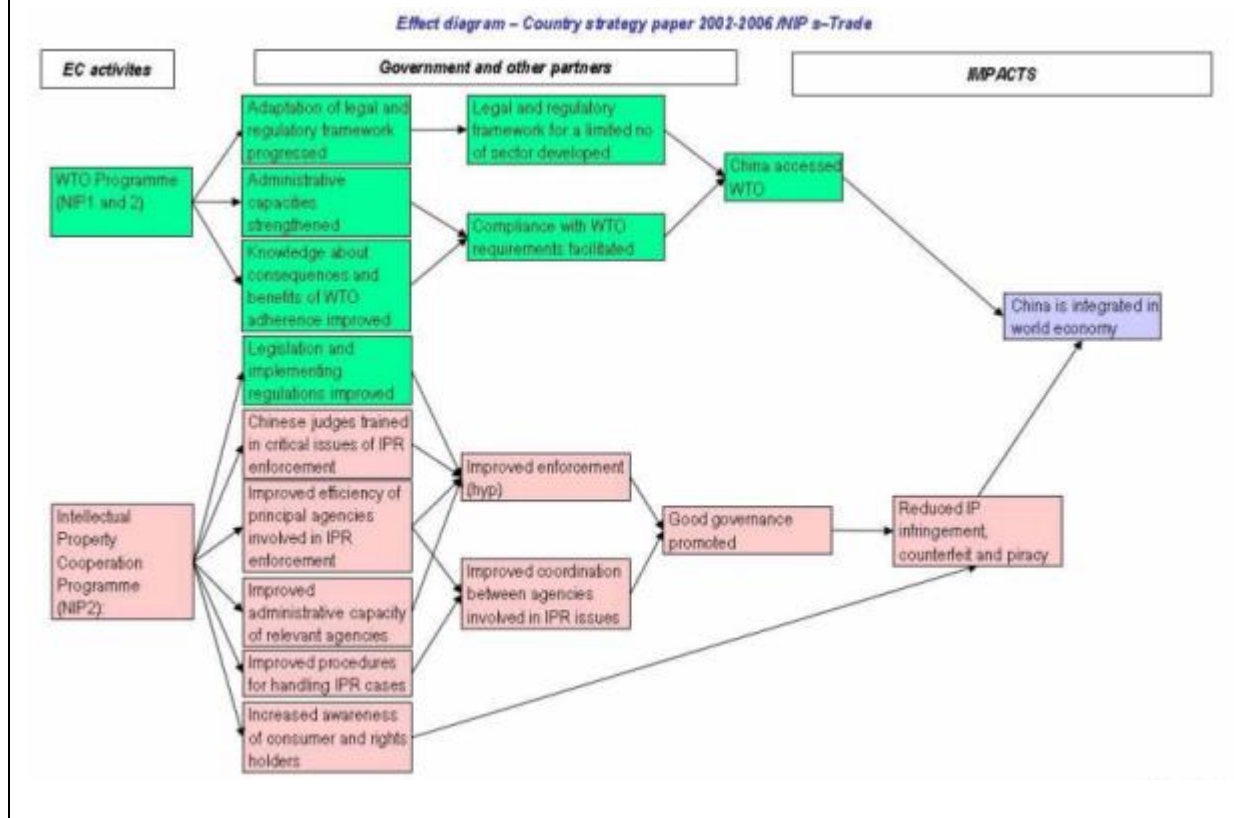


Figure 3 EC intervention logic as in the CSP 2002-2006; CSE, Vol 2, p. 77



CSE, Vol 1, p. 65 following

II. Contribution of EC sector dialogues and the EC cooperation programme to implementation by GoC of WTO requirements related to trade in goods and services.

WTO rules on trade in goods and services cover tariffs, non-tariff barriers (NTBs) such as standards and so-called technical barriers to trade (TBTs), export subsidies, foreign trade monopolies, and quotas. Key sources for tracking the progress of China's implementation of WTO engagements in these areas are the

submissions and reports made under the Transitional Review Mechanism of the WTO, as well as the WTO's *Trade Policy Review*. Also covered by WTO are measures aimed at limiting foreign investment (Trade Related Investment Measures or TRIMs) and respect for IPRs (covered below).

The most relevant EC interventions (as regards this judgement criteria T1), in addition to the various sector dialogues put in place, are the two trade-related TA projects *Framework Programme for EU Support to China's Accession to the WTO* (ALA 98-03), more familiarly known as "WTO1", and the successor *EU-China Trade Programme* (Asia/2002/002-469) or "EUCTP." These projects, particularly their **support for sector dialogues**, have been analysed in a Special Focus section in annex 2 of volume 2.

The follow-on EUCTP Project, which began in 2004 and will run through 2009, focuses on six areas: Customs and Import/Export Regulatory System; Agriculture and Agro-Food; TBTs and Sanitary and Phytosanitary Standards (SPS); Trade in Services; Legislative and Legal Aspects of Domestic Implementation (horizontal theme); and Transparency, Cooperation, and Policy Development (horizontal theme). **The project is described by many as a "rapid response force"** able to **respond quickly to requests for technical assistance** arising on the Chinese side. The first months of the project were characterised by misunderstandings and disagreements between the beneficiary ministry (MoFCOM) and the project; these difficulties were, however, ironed out and the project is now functioning normally.

Tariffs and tax issues / quotas

Tariffs represent perhaps the most straightforward aspect of WTO compliance, and all agree that China has made satisfactory progress in this area, with the exception of a few contentious issues. Import duties have come down from an average of 15.6% in 2001, just before China acceded to the WTO, to 9.7% in 2005. The remaining tariff issue causing the greatest friction between the EU and China is in the area of **automobiles and automotive parts**. The Economics and Trade Working Group, created in 1985, set up a number of *ad hoc* Working Groups to address tariff issues; in addition, the Industrial Policy sector dialogue (created October 2003) includes Working Groups on textiles, automobiles, and metals. Many of the general WTO1 training, awareness raising and capacity-building activities of WTO1 were concerned with tariffs.

Subsidies affecting trade can take the form of **preferential tax treatment**, subsidised and non-performing loans from state-owned banks; below-market value costs for utilities, energy, land, and other infrastructure; and domestic input requirements. China is committed to eliminating all subsidies prohibited under Article 3 of the WTO Agreement. Yet international partners complain that many subsidies remain in place. With respect to taxes, for example new tax laws result in *pro forma* equal treatment of all economic subjects, but low tax collection in certain enterprises (which is nearly impossible to monitor from the outside) constitutes a *de facto* subsidy. A number of investigations, roughly half of which established the existence of dumping and led to anti-dumping duties (e.g., footwear), have been launched by the EC in recent years. Several WTO1 seminars dealt specifically with dumping, as did **one EUCTP seminar**. However, the continuation of anti-dumping appeals suggests that EC cooperation has made limited progress on this front. There continues to be disagreement between China and the EC over whether Chinese authorities are accurately reporting export subsidy programmes to the WTO as required.

(..)

All evidence indicates that the major European concerns in the area of imports of goods have to do with **NTBs, especially standards**. While all countries use standards for protectionist purposes, China does so more than most. It was estimated that in 2005 about one third of the standards, the same as in 2002, were consistent with international practice.

In the area of **SPS**, problems have been noted in the following areas: **protocol negotiations with Member States** (not fully implemented), **approval of establishments** (China insists on approving them one by one), **temporary import restrictions and public health measures** (over-restrictive relative to international practice; cumbersome to lift), and **burdensome and inconsistent application of requirements** (which are higher for imported than domestic products; inconsistency across ministries, across border crossing points between State and provincial levels, between provinces).

In the area of technical barriers to trade (TBTs), specific **areas in dispute include:**

- China, on grounds of **safety, health and environmental concerns**, filed a great many standards on **car imports** rather than opting for harmonisation under the United Nations Economic Commission for Europe (UN ECE) 1958 Agreement on Motor Vehicles. While many of these standards are close to those of the ECE Agreement, the small differences may impose a major cost on car producers and effectively serve as a NTB. •
- **In ICT**, China continues to develop national standards even when accepted international ones exist. The 11 th Five Year Plan includes development of indigenous standards as a component of its innovation focus.
- In **pharmaceuticals**, China continues to apply tougher standards to imported active pharmaceutical ingredients than it does to domestic producers. Similarly, imported cosmetic products are subject to registration and certification procedures from which domestic manufactures are exempt.
- The **CCC or China Compulsory Certification (CCC)** requirement is a significant source of friction. Concerns expressed under the Transitional Review Mechanism are: uncertain application of national treatment (i.e. non-transparent exemption procedures), the list of products subject to CCC (i.e. even low-risk products are subject), certification requirements for parts even when the assembled whole will be certified in China, confidentiality of sensitive information, double certification by different bodies, and demands for factory inspections. The latter must be arranged and paid for by the exporting firm, effectively squeezing SMEs out of the market.

A cross-cutting concern is the **complexity of the standards system in China**. There are 75 offices writing industrial standards, while the SPS regime and inspection procedures are highly non-transparent.

As NTBs have assumed growing importance, there has been an expansion in the involvement of the EC in addressing the issue. The **Sector Dialogue on Industrial Products and Technical Barriers to Trade** (created October 2001) has a **horizontal Working Group on Standards and a horizontal Working Group on TBT and Conformity**, in addition to nine sectoral Working Groups in areas from cosmetics to automobiles. There is also a **Sector Dialogue on SPS** initiated in October 2004. A wide **range of WTO1 and EUCTP activities supported European policy objectives in the area of SPS** (see WTO1 / EUCTP Special Focus in annex 2 of volume 2). There have been some high-profile successes in promoting European approaches to standards. The Chinese adoption of European auto-emission standards is widely credited to EC cooperation in the form of the *Vehicle Emissions Project*. China is also in the process of conforming to the *Restrictions on the Use of Certain Hazardous Substances* (RoHS) and *Waste of Electronic and Electrical Equipment* (WEEE) standards. In the context of the **Information Society Sector Dialogue** of April 2004, various memoranda of understanding have included promises to promote cooperation in the development of commonly agreed standards and cooperation on certification. A major component of the EC's approach to helping China meet its WTO obligations has been bolstering the capacity of the EC Delegation. New experts and seconded officials have been put in place in the areas of agriculture, standards, ICT / information society, and environment (in addition to IPRs, discussed below).

Very roughly speaking, the addition of this extra staff may have doubled the capacity of the Trade and Economic Section to support TA projects, discuss issues with GoC counterparts, and pass information on the situation back to Brussels. Non-Delegation experts interviewed particularly appreciated the presence of specialists as opposed to generalists, a trend which has upgraded the quality of discussions with GoC experts.

Trade in services is as important a concern for Europe as trade in goods. It is important to note, at the outset, that China's commitments to open services markets were relatively ambitious, covering 9 out of 12 large sectors in the *General Agreement on Trade in Services* (GATS). Liberalisation of the services sector has been slower than for other sectors, yet there have been some areas of success.

One of these is **the financial services area**. Restrictions on the operations of foreign banks and insurance companies have declined gradually over time and by mid-2005 there were 225 licensed banks operating in China. In November 2006, China issued landmark regulations purporting to remove all WTO-inconsistent limits on the entry of foreign banks into the Chinese market. Industry response was muted. Local incorporation rules and other bureaucratic hurdles appear designed to soften the competitive blow to Chinese banks, but capital requirements were set far lower than foreign bankers had feared. International bankers admitted that they had been consulted throughout the process and that the resulting requirements for operating in China were less onerous than they had feared.

Various rules continue to restrict the presence of **foreign insurers**. Foreign non-life insurers were

permitted to establish wholly-owned subsidiaries as of December 2003, but foreign life insurers are still restricted to 50% stakes in joint ventures and there is a ceiling on equity stakes in domestic firms.

EU sector experts are disappointed with the **slow pace of progress in the area of telecommunications services**, where China's WTO commitments include setting up of an independent regulator, adoption of transparent policies and regulations, adoption of the principle of national treatment, and equal access to the radio spectrum. The telecommunications regulatory agency, the Ministry of Information Industries (MII), has close links to the domestic industry, and whereas some 18,000 telecommunications licenses were awarded to national companies, only five have been granted to international companies.

European **construction industry** experts report that barriers to foreign participation in the Chinese market have actually increased since WTO accession. Access to government procurement in services (especially construction) is another issue (WTO Trade Policy Review 26/06/06, Summary, Para. 13). The *Law on Government Procurement* stipulates that procurement should further state goals. China is currently an observer to the WTO *Government Procurement Agreement* (GPA). Trade in **services is covered by a number of sector dialogues**, including Government Procurement (initiated November 2005), Information Society, and Trade Policy (initiated June 2004).

The EC Delegation **has officials dedicated both to financial and non-financial services**, as well as a seconded official who is an expert in ICT / information society. EUCTP has provided policy advice in the area of services with studies related to regulation of the construction industry, the outsourcing of ICT services, and liberalisation of the retail sector (see WTO1 / EUCTP Special Focus). In each case, the emphasis was on sharing European approach and experiences. The EC *Financial Services Project* (FSP) was focused more on regulatory reform than liberalising import barriers, but invariably the progress made on regulation had positive benefits for European firms wishing to compete in the Chinese market.

Intellectual property rights

No issue has led to deeper disagreements, or had such a high public profile, as intellectual property rights, covering **patents, counterfeiting and copyright**. On the Chinese side, it is pointed out that the concept of IPRs is only 20-25 years old in China, that WTO-consistent legislation covering all aspects of IPRs has been in place as part of WTO accession and that the number of prosecutions for IPR violations is rising. Yet international partners characterise IPR violations in China as almost uncontrolled and a major disincentive to becoming involved in the Chinese market. Poor enforcement of IPR rules was a recurrent key issue in the 102 contributions of interested parties to the public consultation launched by DG Trade in May 2006 as part of the strategic review of EU-China trade and economic relations in the context of drafting the new Communication.

The EC has a **sector dialogue on IPR** (initiated October 2003) and a Working Group. A major project, the *EU-China Intellectual Property Rights Project* (IPR1), was agreed on in 1996; implementation began in March 1999 and ended in October 2000. The overall goal was to facilitate trade by promoting internationally-accepted standards of IPR protection; the specific objective was to support the GoC's effort to develop a system of IPR protection. Horizontal components were legislative support, training of judges and lawyers, administrative enforcement, border enforcement, public awareness, support for universities and research institutions, technology transfer, and international elements. A follow-on **project ("IPR2")** is starting, and the **EUCTP has filled the gap between the projects with a number of activities related to intellectual property**. The EC Delegation in Beijing has been strengthened by the **recruitment of an IPR specialist from the European Patent Office**.

In its communications under the Transitional Review Mechanism, the EC has noted progress on a number of fronts. **Recent advances include adoption in March 2006 of the National Action Plan on IPR including measures** to fight counterfeiting and piracy, adoption in January 2006 of regulations to **improve cooperation between bodies in charge of IPR enforcement and police and prosecutors, free access online to a trademark database, and publication of judicial decisions on a website**. A Memorandum of Understanding was signed in June 2006 between three large retail markets in Beijing and a coalition of trademark owners stating that clauses will be inserted in leases so that vendors of counterfeit goods can be expelled.

IPR legislation and regulations now in place are held to be WTO-consistent. Even the U.S., which has used very harsh language to describe the IPR situation in China, notes that there have been major improvements in China's IPR legislation. **While legislation is in place, enforcement remains poor**. One reason for this is the high monetary threshold that must be reached before criminal charges apply. In

September 2006, the Prime Minister announced that the damage threshold for prosecuting IPR-related offences would be lowered. Another reason is the **low level of awareness of provincial officials**, who tolerate widespread IPR violations in order to save jobs while failing to recognise the long-run unsustainability of such a strategy. **Widespread corruption**, a problem increasingly recognised by the GoC, is not unrelated to province- and lower-level tolerance for systematic IPR violations. **At central level, IPR policy appears to be confused with industrial policy**, leading in the process to a range of highly distorted business practices.

There is reason to be optimistic, however, that awareness of the value of IPRs will steadily rise. IPR complaints brought by Chinese patent holders now account for 80% of the total, and China's accumulation of a valuable IPR portfolio may prove the catalyst for better Chinese enforcement of IPRs.

State Intellectual Property Office (SIPO) officials interviewed pointed to a **rapid increase in the number of trained officials**, but seem mostly concerned with the **number of patent agents, not enforcement staff**. This is not surprising; SIPO is an agency for granting patents, not prosecuting their infringement. In its annual submissions to the Working Group on TRIPs under the Transitional Review Mechanism, China gives detailed annual statistics on the number of complaints dealt with. It is virtually impossible, however, based on these gross figures, to judge whether the IPR situation is improving or the reverse. The EC has complained, under the Transitional Review Mechanism, that legal processes related to IPRs and trademarks are characterised by long delays, administrative backlogs, and onerous formalities.

The Final Evaluation of the IPR1 concluded that SIPO patent-granting capacity is now up to international standards, thanks in part to the project. To reiterate, this finding contains no information on Chinese partners' willingness or capacity to enforce IPRs.

IPR1 underwent significant implementation delays, but was sufficiently flexible in design that it adapted to new needs once it was under way. The project's final evaluation found that the project contributed information and expertise to the process, by which Chinese officials drafted IPR legislation prior to joining WTO in 2001. However, enforcement issues could be tackled only to a limited extent. The evaluation found impact difficult to assess but noted that Chinese counterparts rated the awareness-raising impact as high. The May 2006 *ex post* monitoring mission concluded that impact was good, but suggested that the basic dynamic propelling Chinese IPR development was domestic policy commitment, not EC support.

An IPR2 Project is in the formulation stage and represents a logical follow-up to IPR1 in that it will concentrate on **enforcement by providing technical assistance to legislative, judicial, administrative, and enforcement agencies and institutions**. **Faster, more efficient enforcement is the goal**. In the meantime, a number of **EUCTP activities have supported the IPR sector dialogue**, as has the *EU Small Grants Facility*, which made funds available to research institutions.

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1.3 Special Focus: Incorporation of multi-sector themes in the EU-China trade cooperation Programme (WTO1 and EUCTP)

Background and motivation for the special focus

EU-China trade issues run the gamut from technical issues (customs clearance, for example) to multi-sector issues (trade and the environment, for example) to highly political issues (labour standards, for example). Issues of EC market penetration, protection of intellectual property rights, the global environment, and social and economic reform are practically inseparable from trade, which is at the heart of China's transformation. Therefore, it is impossible to study trade in isolation, and an important quality criterion of trade cooperation is its success in incorporating concerns emanating from other sectors as well as promoting long term EU policy goals.

With this in mind, we have posed a list of relevant questions, which have been approached by a review of trade cooperation documentation and probed in interviews with experts and responsible officials. These questions are:

- What has been the relationship between the cooperation programme in trade (the WTO1 Project and EUCTP) and sector / political dialogues in environment, information society, IPR, etc., as well as the political dialogue on human rights?
- **How effectively have concerns emerging in sector dialogues been integrated into the EC's evolving trade cooperation programme?**
- Has the trade programme served as an effective vehicle to advance long-term EU policy interests

across a broad front?

- How has the trade programme contributed to and benefited from economic and social reform?

The EC approach to trade cooperation

In its Guidelines for European Commission Trade Related Assistance (May 2003, AIDCO E3/JP/lcc(D) 17823), AIDCO cites the growing importance of trade in a context of globalisation and evidence that, when combined with the right policy environment, trade alleviates poverty and contributes to sustainable economic development. Three issues must be addressed: (i) capacity to negotiate international trade agreements such as WTO, (ii) capacity to formulate trade policy (e.g., assess the costs and benefits of liberalisation), and (iii) supply-side constraints.

To address these, the EC defined four categories of trade assistance, each with increasing breadth. The first of these is trade policy and regulation, which directly addresses the first constraint above. The remaining three -- trade development (e.g., promotion, feasibility studies, etc.); indirect actions affecting the economic context for trade (e.g., tax reform); and actions affecting the long-run development context (e.g., infrastructure, health, education) -- aim largely at relieving supply constraints. The *sine qua non* for successful trade cooperation is integration of trade into the broad national development agenda. Whereas traditional trade cooperation aimed mostly at market access and conformity with international agreements, the new trade cooperation agenda includes items such as

- capacity building for trade policy formulation and implementation
- regulatory norms
- environmental sustainability (both national and global)
- trade and poverty alleviation
- free circulation of natural persons

EC trade cooperation in China: WTO 1 and the EUCTP

The EC trade cooperation programme in China has addressed the first three of these thoroughly and is increasingly looking at the third. “WTO1” -- more properly, the Framework Programme for EU Support to China’s Accession to the WTO -- commenced in March, 1999 (FA signed May, 1996 with foreseen start date of October 1998) and was closed at the end of 2003, one year prior to plan. The delay in implementation rendered the project’s original objective -- supporting accession to WTO through capacity building, gathering and analysis of information, and networking across sectors -- somewhat obsolete, as accession negotiations were already in their final round. However, project design was highly flexible, and the work plan was easily adapted to address post-accession priorities. After a somewhat rocky start, the project was fully up to speed in years 2, and 3, with a broad range of activities including research studies, seminars, study tours, internships, and qualification courses for specialised personnel. There was an undoubted increase in the capacity of the Chinese partner (MoFCOM) to deal with trade matters, although information needed to precisely quantify the improvement is lacking. The project Final Evaluation (January 2004) was complimentary of results achieved but argued that organisational and design shortcomings -- inadequate staffing of the PMU, cumbersome tendering procedures, and poor communication between the PMU and MoFCOM -- limited the project’s efficiency (i.e., much more could have been achieved with the resources expended).

The EUCTP (“EU-China Trade Programme: more properly, “Support to China’s Integration into the World Trading System”) was agreed to in June 2004 and began, on schedule, in March 2004. The project is scheduled to run until 2009. Its overall objective is to support integration into the world economy by assisting in the implementation of WTO obligations and capacity building. Six focus areas were identified:

- Customs and Import/Export Regulatory System
- Agriculture and Agro-Food
- Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Standards (SPS)
- Trade in Services
- Legislative and Legal Aspects of Domestic Implementation (horizontal theme)
- Transparency, Cooperation, and Policy Development (horizontal theme)

How multi-sectoral themes were incorporated

As early as the formulation stage of WTO1, the Chinese government realised that the key challenge to WTO accession in China was that a very large number of sectors, and dozens of administrative agencies, were involved. **During the formulation of the EUCTP, the GoC expressed its wish to avoid the creation of a parallel bureaucracy for WTO, thus the project to network with a large number of**

actors. This placed both projects under the obligation to engage with a large number of actors in addition the MoFCOM, the beneficiary.

The main networking vehicle for both WTO1 and EUCTP was **conferences, seminars, workshops, and similar events**, often involving the preparation of situation reports and analyses, **tailored to needs expressed by the Chinese partner**. The Final Evaluation of WTO1 drew attention to the project's achievement in running over 90 seminars, training courses, and workshops in China and producing studies, reports, and policy briefs relating to, among other subjects, trade and environment, trade and investment, geographical indications, Waste of Electrical and Electronic Equipment (WEEE) and Restrictions on the Use of Certain Hazardous Substances (RoHS),

The Trade section of the EU Delegation became involved with WTO1 in 2002, significantly enhancing the quality of the project. The Final Evaluation of the project rated the involvement of the Trade section "highly satisfactory."

As urged by the evaluators, the close relationship between trade cooperation and the Trade section continued in the EUCTP. In the accompanying Table, a list of all sector dialogues is given together with the responsible DG, the responsible section of the Delegation, whether the EUCTP was designated a key related project or not, and selected EUCTP activities related to the dialogue. The first four columns are based on documentation made available from the Delegation. The last column, assembled from the EUCTP website (accessed 13.11.06) is intended to be qualitative and selective – it concentrates on seminars, conferences and workshops (for example, study tours arranged are not given). Dates and documentation of specific activities are not given since these are available on the website.

A glance at the table confirms that **EUCTP has played a major role in serving as a link between sector dialogues and trade cooperation**. More specifically, **experts and officials involved in sector dialogue are used as resource persons in EUCTP events and in producing EUCTP studies**. This has resulted in a major flow of European thought to the Chinese side, especially as regards standards, regulatory practices, and approaches to broad areas such as competition policy and IPR. In this sense, EUCTP, **strengthened by its link to the sector dialogues**, has clearly served long-term EU policy interests. Increased **capacity at the Delegation in the form of experts in the areas of IPRs, standards, agriculture, and ICT / Information Society** has increased the impact of the project. Simultaneously, the project has provided a vehicle for these and other officials to disseminate and operationalise their expertise in China. The putting in place of **stand-alone projects in IPR and Information Society** has also contributed to a higher-quality co-operation programme.

What problems and opportunities can be identified? Interviews with responsible officials and experts suggested a number of areas for improvement:

- **While the flexibility of the EUCTP in responding to GoC needs is recognised on all sides as one of the keys to the project's success**, European business representatives do not view the project as a resource for them, as well. This is, in a sense unavoidable, given that the project is legally required to answer to the requests for assistance emanating from the direct beneficiary, MoFCOM. As EC cooperation moves forward under the new Communication, however, it may be possible to respond to requests from the European business community in China, as well.
- So far, most **environmental concerns** integrated into EUCTP have been closely linked to concrete trade issues (for example WEEE and RoHS). As concern in the environmental field, and the EC's environmental co-operation programme with China, shifts towards global environmental issues (especially climate change) there will need to be better integration of these issues into trade cooperation. The recent putting-in-place, at the request of the GoC, of a sector dialogue on trade and sustainable development is indicative of this new priority.
- Issues as diverse as **poverty, gender, and governance** have been **so far little integrated into the project**. Some activities related to **Corporate Social Responsibility (CSR)** are an exception to this, and it would not be fair to say that the EUCTP has ignored links between trade and broad economic and social reform. Again, the legal basis for the project, assistance to the MoFCOM, does not provide a strong platform for advocacy in these areas. However, the nascent interest of the GoC in CSR may serve as an entry point for disseminating European experience and models in labour standards, social protection, and related fields.

Table 3: Sector Dialogues

	Responsible DG	Responsible Delegation section	EUCTP identified as key project?	Selected EUCTP activities
Sector dialogues				
ADS	RELEX / JLS	Political		
Agriculture (see also SPS)	AGRI	Trade	X	<ul style="list-style-type: none"> - Agricultural biotechnology symposium - Avian influenza lab safety training - Meat Access round table - Farmers Cooperative Law workshop - Food safety meeting See also SPS) - Global food safety forum (see also SPS)
Competition	COMP	Trade	X	<ul style="list-style-type: none"> - Report - Building Competition Policy in China: An EU Approach - EU-China Conference on Competition Policy
Culture	EAC	Press		
Education (ERASMUS MUNDUS)	EAC	Cooperation		
Employment	EMPL	Cooperation		
Energy and Transport	TREN	Science and Technology		
Environment	ENV	Science and Technology		<ul style="list-style-type: none"> - EU-China Seminar on toy safety and social & environmental standards (RoHS) - EU-China Corporate Social Responsibility Symposium (also related to environmental concerns) - EU-China Seminar on toy safety and social & environmental standards (RoHS and WEEE; see also Industrial and Social) - Study - EU-China Trade & Investment Relations: Partnership for a Sustainable Future
Galileo	TREN	Science and Technology		
Geographical Indications	TRADE	Trade	X	<ul style="list-style-type: none"> - Joint EU-China seminar on protection of geographical indications
Industrial Policy	ENTR	Trade	X	
Information Society	INFSO	Information Society	X	
Government Procurement	MARKT	Trade	X	<ul style="list-style-type: none"> - Study on government procurement reform - Conference on government procurement - Seminar on government procurement
Industrial Products and TBT	ENTR	Trade	X	<ul style="list-style-type: none"> - Report on expansion of trade in IT products - Seminar on Technical Regulations and Standards in the Mechanical and Electro-technical Sectors - Conference on Chinese and European Practices in Certification - Seminar on Better Regulatory Practice - Toys Regulatory Seminar - EU-China Seminar on toy safety and social & environmental standards (see also Environment and Social)
Intellectual Property	Trade	Trade	X	<ul style="list-style-type: none"> - Comparative study on legislation protecting IPRs and its enforcement - China-EU-Japan seminar on IPR enforcement
Macroeconomic and Financial Services	ECFIN / MRKT	Trade		<ul style="list-style-type: none"> - Study on statistics of bilateral trade in services - Workshop, opening and administration of legal services sector
Nuclear Energy	JRC	Science and Technology		
Readmission	RELEX / JLS	Political		
Regional Policy	REGIO	Co-operation		
Sanitary and Phytosanitary Standards	SANCO	Trade	X	<ul style="list-style-type: none"> - Food safety meeting See also Agriculture) - Global food safety forum (see also Agriculture)
Science and Technology	RTD	Science and Technology		
Social Sector	EMPL	Cooperation		<ul style="list-style-type: none"> - EU-China Corporate Social Responsibility

	Responsible DG	Responsible Delegation section	EUCTP identified as key project?	Selected EUCTP activities
				Symposium (also related to environmental concerns) <ul style="list-style-type: none"> - EU-China Seminar on toy safety and social & environmental standards (CSR; see also Environment and Industrial) -
Space	RTD / ENTR	Science and Technology		
Textile Trade	TRADE	Trade	X	
Tourism	RELEX / ENTR / TRADE	None		<ul style="list-style-type: none"> - Study on impact of liberalisation on travel and tourism industry -
Trade Policy	TRADE	Trade	X	<ul style="list-style-type: none"> - Comparative study on regulation of construction industry in China and Europe - Comparative study on outsourcing in services, especially ICT - Study on regulation and liberalisation of the retail sector - Study on review and uniform implementation of trade-related legislation - Study on public consultation in WTO legislative process - EU-China Seminar on the WTO Negotiations on Trade Facilitation - Questionnaire survey on trade facilitation - Seminar on EU Trade Defence Instruments (anti-dumping) - MoFCOM Workshop on World Trade Report 2005

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>	<i>TAP</i>	<i>Eval</i>	<i>ROM</i>	<i>Progress (MTR)</i>	<i>Final reports</i>
EU-China Project on the Protection of Intellectual Property Rights (IPR II)	yes		Yes (MR1&MR2)	According to the ROM, there should be a MTR 2009	
Support to China's Sustainable Trade and Investment System	yes		Yes (MR1, 2011)		

3.1.2 EC documentation on trade-related assistance in the country

<i>Source</i>
EAMR: 2006 , 2007, 2008, July 2009 and 2010.
Country Level Evaluation of EC cooperation and partnership with the People's Republic of China, 2007

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Regional Organisation Fiche

COMESA

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1 Introduction

According to the RSE, “the specific EU know-how in regional integration and the weight of this area of intervention in the EU development strategies have allowed the Commission to run the most important support programme to regional integration in this, as in other parts, of Africa” and “the EC mandate and responsibilities on trade have allowed the Commission to lead the EPA negotiation process and to qualify as the most important partner for trade liberalisation and market integration in the region”.

Three support programmes were/are implemented with budgets of 85 M€, 30 M€ and 50 M€. This shows the broad support of the EC to COMESA in regional integration. The projects aimed at deepening regional integration and assisting member States to adjust national policy to regional commitments. As Main problems the overlapping memberships in different regional organisations were mentioned. This caused problems in coordination and in proceeding towards customs unions and free trade markets. RISM is still ongoing as well as RISP 2, which is the continuation of the RISP programme.

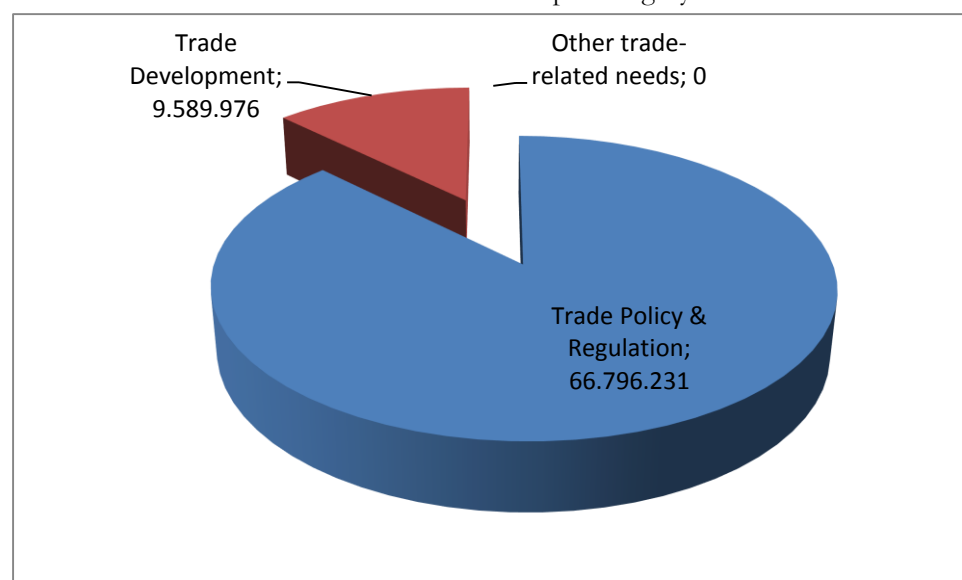
1.1 Commission’s TRA to COMESA between 2004 and 2010

1.1.1 Contribution per sector, modality and channel

1.1.1.1 Breakdown per Category

Year	Trade Policy & Regulation	Trade Development	Other trade-related needs	Grand Total
2004	5.597.630			5.597.630
2005	34.334.614			34.334.614
2006	4.988.806			4.988.806
2007	80.411.746	151.762		80.563.508
2008	2.580.272			2.580.272
2009	629.332	39.932		669.264
2010	51.590.100	20.000.000	0	71.590.100
Grand Total	180.132.501	20.191.694	0	200.324.195

Total volume of contracted amount 2004-2010 per category



1.1.1.2 Breakdown per Modality

Year	Project	Support to Sector Programmes	Grand Total
2004	5.597.630		5.597.630
2005	834.614	33.500.000	34.334.614
2006	4.988.806		4.988.806
2007	80.563.508		80.563.508
2008	2.580.272		2.580.272
2009	669.264		669.264
2010	71.590.100		71.590.100
Grand Total	166.824.195	33.500.000	200.324.195

1.1.1.3 Disbursement Rate

Years	Amount paid in €	Amount contracted in €
2004	5.454.738	5.597.630
2005	30.815.429	34.334.614
2006	3.088.806	4.988.806
2007	22.162.375	80.563.508
2008	1.214.146	2.580.272
2009	531.429	669.264
2010	13.119.284	71.590.100
Grand Total	76.386.207	200.324.195

Disbursement per Category

Category	Amount paid in €	Amount contracted in €
Trade Policy & Regulation	66.796.231	180.132.501
Trade Development	9.589.976	20.191.694
Other trade-related needs	0	0
Grand Total	76.386.207	200.324.195

Disbursement per Modality

Modality	Amount paid in €	Amount contracted in €
Project	46.405.393	166.824.195
Support to Sector Programmes	29.980.815	33.500.000
Grand Total	76.386.207	200.324.195

Disbursement per Channel

Channel	Amount paid in €	Amount contracted in €
Development Agency	256.737	399.629
Not encoded in CRIS	106.878	106.878
Private Company	451.728	488.991
Regional Organisation	75.537.432	199.284.520
Research Institution/University	33.432	44.177
Grand Total	76.386.207	200.324.195

1.1.2 Important TRA interventions to COMESA

Table 26 Overview of Commission's most relevant TRA interventions to COMESA

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Decision starting year</i>	<i>Committed amount for the intervention</i>
Regional Integration Support Programme 2 (RISP2)	FED/2009/021-716		
Regional Integration Support Programme (RISP)	FED/2004/016-976		
REGIONAL INTEGRATION SUPPORT MECHANISM (RISM)	FED/2007/020-778		

Source: CRIS database, Particip GmbH analysis

1.2 Description of main EC intervention

1.2.1 Intervention no 1

Title: Regional Integration Support Mechanism (RISM)

Budget: 85.700.000€ (78.000.000 € from EC, 7.700.000€ from COMESA/EAC)

Start and end date: 8.2007 - 31.12.2011 (Implementation), 31.12.2013 (Contribution Agreement)

Objectives and expected results:

The project aims at supporting the economic integration process of the ESA_IO region through the consolidation of the COMESA FTA and the implementation of COMESA and EAC Customs Unions. The project will be complementary to the RISP. Both projects pursue similar global objectives as they contribute to the ESA-IO's regional integration process, but while the RISP's approach is to support the ROs in implementing their regional integration agenda programmes, the RISM will place more emphasis on Member States by assisting them in meeting their regional integration commitments.

Overall objective:

To contribute to the achievement of the ESA-IO Region's economic integration process

Project Purpose:

To support ESA-IO countries in addressing the financial, social and economic constraints they face at national level in the implementation of their regional integration commitments

Main Results

The expected result of RISM is the effective transposition and implementation of Regional Trade and investment policies and regulations (the "Regional Integration Commitments") at national level

More specifically:

- The internal tariff barriers among all COMESA and EAC member states are dismantled
- The Common External Tariffs are applied, the list of exemptions and sensitive products of countries are reduced significantly within a much shorter period than if no support is provided to address budgetary constraints
- Non-tariff barriers are eliminated enabling trade within the region to increase significantly
- More efficient resource allocation in member States as productive structures adjust to the new terms of trade
- The capacity of ESA-IO countries to implement the Economic Partnership Agreement as a region is strengthened

Activities:

Generic activities:

RISM management structure are set up through RISM Advisory Committee and RISM Management Committee

COMESA and EAC to inform Member/states in advance of indicative nominal country allocations on basis of resource mobilization expectations and in accordance with CAF policy documents;

Eligible Member/Partner States to elaborate and submit individual time-bound plans (RIIP) for the implementation of their regional commitments, including the implementation of the relevant CET, the gradual integration of sensitive products if any, as well as the elimination of NTB, as well as fiscal plan to address tariff structure changes

COMESA and EAC Secretariats to set up -advisory technical teams to

- assist MS/PS in preparation of applications (RIIP)
- monitoring and evaluating implementations; ensure conformity of applications, advise countries and follow up on implementation of National plans

1.2.2 Intervention no 2

Title: Regional Integration Support Programme (RISP)

Budget: 30.000.000€

Start and end date: July 2005 – July 2010

Objectives and expected results:

Overall objective:

The RISP will contribute to the overall objectives of the Eastern and Southern Africa (ESA) region's integration process, assisting the regional integration organisations (RIOs) to fulfill their mandate and supporting their respective programmes to pursue the objective of the regional integration.

Project Purpose:

The programme's purpose is to develop the capacity of the RIOs and their member States in policy formulation, implementation and monitoring of regional integration, multilateral and regional trade and in trade related areas.

Main Results

The direct results to be delivered by the RISP will be the following:

- i) Implementation of the COMESA Customs Union and the EAC Customs Union Roadmaps and consolidation and expansion of the COMESA Free Trade Area;
- ii) Improved trade negotiating capacities in ESA member States, at all levels (bilateral, regional and multilateral) with, as a main direct objective, the negotiation of a pro-ESA EPA being implemented by the end of the project period;
- iii) Improved capacities of national authorities and producers to meet regional and international standards and requirements from SPS measures;
- iv) Improved and harmonised production of statistical data and improved capacities at the national statistical bureaux and in the regional organisation, including use of economic modelling;
- v) A system of harmonising and co-ordinating regional programmes and policies at the national level put in place, improving effectiveness of regional programmes and reducing duplication;
- vi) Strengthening Monetary and fiscal policy co-operation;
- vii) Improved tax policy and capital market harmonisation, and
- viii) Co-ordination of RISP implementation and Institutional Capacity Building for the COMESA and EAC Secretariats.

Activities:

Result 1:

- Finalising and implementing the COMESA C.E.T.
- Aligning national tariffs on CTN and adopting HS2002 and WTO valuation codes
- WTO bindings re-negotiations
- Expand and consolidate COMESA FTA
- Develop a surveillance mechanism to monitor regional integration performance
- Start implementation of COMESA Competition Policy and Regulations
- Support implementation of a computerised customs management system
- Adjustments for loss of revenue from trade taxes
- Reviewing CU revenue collection systems and admin. Procedures
- Monitoring NTBs
- Promotion of cross border commerce, improve industry competitiveness and removal of supply side constraints

Result 2:

- Developing and implementing a trade capacity building programme to develop capacity in negotiating and implementing trade agreements in: comparative advantage; regional integration; trade creation and diversion; RIO treaty provisions; implementing a FTA/CU (removal of tariffs, Rules of Origin, export incentives, subsidies, revenue sharing); trade facilitation (customs co-operation, public procurement, TBTs, SPS, anti-dumping, safeguards, competition policy, etc.)
- Establishing monitoring and supervising activities of the Geneva Liaison Office (GLO) and the Brussels Liaison Office (BLO)
- Assisting the ESA regional negotiations and the RNF to prepare negotiating positions and to negotiate an ESA EPA.
- Developing and implementing a programme in Trade in Services
- Using regional researchers and organisations , through a series of grant agreements, to promote poly-oriented , demand-driven research on specified areas of regional integration, strengthen research capabilities of RIO Secretariats and improve advocacy
- Dissemination of trade and trade related papers to policy makers

Result 3:

Working with National Standards Bureaux and other relevant bodies to:

- Develop harmonised regional standards
- Build the capacity of member States to be part of the standard's setting process; and
- Develop the necessary technical competence in the areas of standardisation, measurement traceability, certification and testing, building on the review of the regulatory framework(s) for technical regulations
- Strengthening of National Regulatory Frameworks

Result 4:

- Developing and implementing a programme to further develop capacity in appropriate statistical organisations at the national level so that statistics on external trade are timely and accurate and that economic statistics produced use harmonized methodologies.
- Further development competent statistical skills in the RIOs so that they are able to adequately respond to the demands of potential users and decision-makers
- Identifying relevant models for trade policy impact assessment
- Undertaking capacity building on use of identified models
- Undertaking firm level surveys to assess impacts of trade policy at the firm level

Result 5:

- Support national Working Groups of COMESA, EAC, IOC and IGAD member States, such as NDTPF, comprised of senior policy makers (Permanent Secretaries of Ministries) and private sector representatives which will oversee the work of RIOs' national working groups (such as NWG on customs, the NWG on ICT) and implementation of work programmes designed to implement decisions taken by the Policy Organs of the RIOs.

Result 6:

- Monetary and fiscal policy harmonization

- Implementing the Regional Payments and Settlement System

Result 7:

- Establishing a regional database on taxation and developing a programme (including indirect taxation, tax incentives, tax treaties, etc.) to be implemented at the nation level, aimed at harmonizing tax policy, with a view to implementing a regional common market and capital market.

Result 8:

- Implementing recommendations of the organizational and systems audit for the COMESA Secretariat
- Establishing appropriate mechanism for coordination of the programme within the COMESA Secretariat and between the COMESA and other RIOS
- Improving procedures, rules and manuals with the view of maintaining internationally accepted standards

1.2.3 Intervention no 3

Title: Regional Integration Support Programme Continuation (RISP2)

Budget: 50.000.000€ (Contribution Agreement)

Start and end date: 7.2010 – 7.2013

Objectives and expected results:

Overall objective:

The **overall objective** of the programme is to contribute to the economic integration process of the ESA-IO region as a means to enhance economic growth of the countries of the region and raise standards of living of their respective populations.

Project Purpose:

Its **specific objective** is: enhanced capacity of the Regional Organisations and stakeholders in Member/Partner States to create integrated markets.

Main Results and Activities:

RESULT AREA	Core Activities
<u>RESULT 1:</u> Regional policies and regulations for the implementation of the regional economic integration mandates and agenda are designed and/or adjusted;	1.1 Design and adjust policies and regulations which govern the COMESA Free Trade Area; COMESA Customs Union; COMESA Common Market and Monetary Union; 1.2 Design and adjust policies and regulations which govern EAC Customs Union; EAC Common Market (by 2010) and Monetary Union; 1.3 Support IGAD's functional economic cooperation programme , in line with the AU process and within the existing regional integration agenda of the ESA region; 1.4 Support the inclusion of the Islands States' specificities in the COMESA agenda through the IOC; 1.5 Support to the initiatives of the Tripartite process to harmonise and rationalise the regional integration agenda of the ESA-IO region;
<u>RESULT 2:</u> Trade development, trade facilitation instruments and strategic, regulatory and technical preparatory works of trade related infrastructure are designed and/or adjusted	2.1 support the Regional Organisations in designing and adjusting, and facilitating the implementation, harmonisation and rationalisation of trade development policies and instruments; facilitate the design and implementation of harmonised trade related infrastructures in transport, ICT and energy; 2.2 develop regional sector strategies aimed at building capacities to promote investments in prioritised sectors

<p><u>RESULT 3:</u> Regional institutions are established and strengthened to implement and monitor regional policies and regulations, including institutions that service private sector at regional level</p>	<ul style="list-style-type: none"> 6.1. establishment and/or strengthening of regional institutions and public sector associations related to the implementation of the regional integration agenda of the regional organisations; 6.2. strengthen the capacities of private sector organisations to formulate, implement and monitor private sector interests in relation to the regional integration agenda of the ESA-IO region; 6.3. support the establishment of the institutional framework under the Tripartite process
<p><u>RESULT 4:</u> Management capacities of the ROs are improved to meet international recognised standards of governance</p>	<ul style="list-style-type: none"> 6.1. provide support for capacity building in business processes of COMESA, EAC, IGAD and IOC Secretariats to achieve and maintain internationally recognised standards of corporate governance
<p><u>RESULT 5:</u> Member/Partner States capacity to address trade related issues and to implement their trade liberalisation and regional integration commitments is enhanced.</p>	<ul style="list-style-type: none"> 6.1. support national initiatives to improve policy coherence at national level ; 6.2. support capacity building in Member/Partner States in implementing their regional integration and global trade arrangement commitments; 6.3. support to enhance regional dimension in national initiatives on donor coordination in respect of trade liberalisation and integration 6.4. support national stakeholders fora to identify and maximise opportunities under multilateral trading arrangements (EPA, WTO) and Aid for Trade
<p><u>RESULT 6:</u> Capacity of the region to negotiate and implement multilateral trade agreements is enhanced</p>	<ul style="list-style-type: none"> 6.1. facilitate preparation of common positions on multilateral and bilateral trade negotiations (WTO/DDA, AGOA, etc.); 6.2. supporting the establishment and operationalisation of the EPA's institutional arrangements; 6.3 undertake regional training needs assessment on regional trade and integration issues and support capacity building on trade negotiations skills

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

Summary: <ul style="list-style-type: none">• EC support reflects key priorities of COMESA according to RSE• RISP programmes directly support the activities of the regional organisations and contribution agreement also contributes to the alignment
RSE
p. 19 In fact, whereas the key priorities of COMESA, EAC and IOC are fully reflected and fall under the focal sectors of the EC strategy, the priorities of IGAD are given lower prominence.
p. 17 RI&T (Regional Integration and Trade). EPAs are given high priority in the 9th EDF RSP as a means of assisting the overall region in integrating itself more successfully into the global trading system. However, stated objectives and overall coherence on paper are not yet adequately reflected in outcomes. General concern, especially in the first phases, has been expressed with regards to the outcomes of the EPA negotiations which have been considered as potentially destabilising the regional integration design, by favouring a certain fragmentation of the regional integration process in the region and the enhancement of national paths to trade and economic growth. Such concern remains, although the present status of negotiations shows that the interim EPAs fit the RECs' framework beyond expectations, namely in the case of SADC, EAC and, partly, IOC.
Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716
Action Fiche
p. 3 The RISP programme (both the 9 th and 10 th EDF) directly supports the integration agenda and activities of the ROs – this gives it a strong co-ordinating role within the actual integration process.

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

2.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

Summary: <ul style="list-style-type: none">• “The Regional Integration Support Mechanism (RISM) will contribute to the COMESA and EAC regional integration agenda, in complementarity with other on-going programmes by supporting ESA IO countries in pursuing their trade liberalization programmes while minimizing their transitory budgetary constraints resulting from budget revenue losses.”• RISP 2 “is fully consistent with the 10th EDF ESA-IO Regional Strategy Paper (RSP) signed during the Development Days in Strasbourg (15 November 2008)” and informed by “(i) the Joint Africa-EU Strategy adopted in December 2007, and its first Action Plan 2008-2010, in relation to the area of 'trade and regional integration'; (ii) the EU Aid for Trade Strategy (October 2007); and (iii) the European Consensus on Development (December 2005), notably on the link between trade and development, the support for regional integration and cooperation and the importance of economic infrastructure.”
REGIONAL INTEGRATION SUPPORT MECHANISM (RISM) - FED/2007/020-778

Financial proposal

p. 3

The 9th EDF Regional Strategy Paper (RSP) and Regional Indicative Programme (RIP) of the ESA region are geared to support regional Integration in a number of Interconnected ways. The RSP states that a number of countries in the region may find themselves in a situation in which they are willing to continue to Implement economic reform measures but are not able to do so, for reasons of short-term budgetary constraint and other adjustment costs resulting from the contraction of import-competing sectors and/or export sectors faced with loss of trade preferences. Governments may, therefore, need to look to raise revenue from other sources. In the longer run, this may be achieved through restructuring the fiscal programmes and, while this may be necessary, it does not solve the immediate problem faced by governments: how to cut trade taxes as part of the on-going economic reform programmes without placing a further burden on the already strained social sectors and how to face the transitional cost to achieve more competitive productive structures. The Regional Integration Support Mechanism (RISM) will contribute to the COMESA and EAC regional integration agenda, in complementarity with other on-going programmes by supporting ESA IO countries in pursuing their trade liberalization programmes while minimizing their transitory budgetary constraints resulting from budget revenue losses.

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

Identification Fiche

p. 3

The programme is fully consistent with the 10th EDF ESA-IO Regional Strategy Paper (RSP) signed during the Development Days in Strasbourg (15 November 2008). Under the first focal area (Regional Economic Integration), the RIP foresees specific interventions to support the regional integration agendas of the ROs; to strengthen regional cooperation and to support the integration of the region into the global economy. The underlying principles of the RSP (and of the RISP programme) is to align cooperation with the medium-term strategies of the ROs in line with the Paris Declaration on Aid Effectiveness, to mainstream trade into the development objectives of the region and to ensure that assistance is delivered in a manner which is predictable, effective and sustainable. The use of the Contribution Agreement as delivery instrument has the potential to significantly contribute to increased ownership and Aid Effectiveness objectives.

Other important strategic documents that inform the EU support to the ESA-IO region include: (i) the Joint Africa-EU Strategy adopted in December 2007, and its first Action Plan 2008-2010, in relation to the area of 'trade and regional integration'; (ii) the EU Aid for Trade Strategy (October 2007); and (iii) the European Consensus on Development (December 2005), notably on the link between trade and development, the support for regional integration and cooperation and the importance of economic infrastructure.

Finally, the RISP continuation is also in line with the Commission's Communication: "Regional integration for development in ACP countries", by directly contributing to address key challenges and priorities (*improving national and regional institutional capacities; simplification of the institutional architecture; strengthening ownership of regional integration processes; building integrated markets in goods, services, investments, capital; supporting business development such as improving the regulatory environment; connecting regional infrastructure networks in ICT, transport and energy*).

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

2.1.2.2 I 1.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

2.1.3.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”

Summary:

- RISP: IRCC was foreseen to review progress on RISP and a single joint monitoring and reporting tool on the implementation of the RISP/CA was foreseen to be developed by COMESA and EC.
- Under RISP 2 the “introduction of a robust monitoring and evaluation system which will be introduced in all the ROs, focused upon regional integration (another programme – Inter Regional Coordinating Committee (IRCC) support – will address the M&E of programmes funded under the RSP)” is foreseen as a reaction to identified weaknesses through the mid-term evaluation.

Regional Integration Support Programme (RISP) - FED/2004/016-976

CA - Annex 1

p. 9

Overall Coordination will be ensured at the level of the Secretary General of COMESA through the Inter Regional Co-ordination Committee (IRCC), of which the EC is a statutory member. The IRCC will review in each meeting progress on RISP, and will meet at least once a year to specifically analyse the RISP implementation.

COMESA will ensure proper technical and financial reporting in accordance with the terms laid down in the Contribution Agreement. COMESA and the EC will develop a single joint monitoring and reporting tool on the implementation of the RISP/CA. This tool will be based on the instrument used by COMESA and EAC Secretariats to report to their respective Policy Organs, such as the Consolidated Implementation Plan in use at COMESA.

These reports will be circulated to all IRCC members and will show the progress made on each of the performance OVI as defined in the C.A. periodic work plans.

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

Action Fiche

p. 1

The **mid-term evaluation of the 9th EDF RISP** underlined the relevance of the programme, and the need that its activities are addressing. The RISP continuation programme reinforces the earlier programme, but addresses the weaknesses outlined in the evaluation, including:

- The introduction of a robust monitoring and evaluation system which will be introduced in all the ROs, focused upon regional integration (another programme – Inter Regional Coordinating Committee (IRCC) support – will address the M&E of programmes funded under the RSP);

p. 2

The RISP programme was the first to use the **Contribution Agreement (CA)** as implementation modality for a programme with an RO (after a successful institutional diagnostic of COMESA). The wider intention to extend the use of the CA to other ROs has provided this programme – and COMESA – with a pioneering role, which is nevertheless part of a process of continual improvement. In order to

enhance the results focus of the programme (and its ownership among the RO), the new programme envisages an annual review of the benchmarks and the logframe indicators. The Annual Work Plans (AWP) will be drawn up on this basis.

Action Fiche – Annex 1

p.22

The common monitoring and reporting tool developed under the 9th EDF RISP will be implemented. This tool will be based on the instruments used by COMESA and other RO Secretariats to report to their respective Policy Organs.

RISP's Logframe will be used as the main tool for monitoring progress with the programme, and annual benchmarks will monitor the successive AWP's.

Performance monitoring will be carried out by the M&E units of each RO (existing and/or supported through Result 4), and facilitated and consolidated by the RISP Coordinator.

Monitoring reports will be submitted annually to the RISP/SC and through the SC to the IRCC and the RO Organs. The programme results will be evaluated on the basis of the following criteria: Relevance, Efficiency, Effectiveness, Impact and Sustainability.

2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

Summary:

- The decision for a contribution agreement was obviously based on an institutional diagnosis of COMESA

REGIONAL INTEGRATION SUPPORT MECHANISM (RISM) - FED/2007/020-778

Financial proposal

p. 3/4

The evaluation of regional projects Implemented by COMESA under previous RIPS Indicates that strong efforts are required from both the RAOs and the EC to Improve efficiency. The Contribution Agreement mechanism, which has been used by COMESA to Implement the Regional Integration Support Programme, has proved to be an important Improvement in that regard. COMESA qualified for CA mechanism upon the finding of an Institutional diagnosis carried out in 2004. EAC has recently undergone an institutional diagnosis and is executing key recommendations with a view to implement contribution agreements.

Regional Integration Support Programme (RISP) - FED/2004/016-976

CA - Annex 1

p. 6

Prior to the RISP implementation an independent organisational and system audit has been carried out in order to assess to what extent the Organisation's rules and procedures conform to internationally accepted standards, including the award of contracts.

The medium and long term recommendations of the audit have been integrated (Result 8) in the present RISP Contribution Agreement; their implementation will start during the first period of RISP implementation.

Audit recommendations requiring immediate action by the Organisation have been gradually implemented since March 2005.

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

Summary:

- Redesign of RISM to an Contribution Agreement led to delays (RSE)
- "Another point made by one COMESA official is some loss in focus in the CA system compared with the project system." (RSE)
- "The Contribution Agreement (of RISP) was a very effective aid delivery tool which promoted high ownership and alignment to the organizations' policies, procedures and strategic plans. There is evidence of improved capacities in the RECs Secretariats but more needs to be done in order to improve the systems as a whole, so as to achieve institutional changes. Inter-RO coordination is now in place and areas of disagreement have been reduced although a more elaborate MoU is needed to make coordination more effective."

RSE

p. 33/34

With the exception of the IRCC Support Project, EC interventions are being effected mainly through Contribution Agreements for RISP and RISM (signed in Nov 2007). The RISM (Regional Integration Support Mechanism), previously RIBS (Regional Integration Budget Support), was originally to have been a project administered by the EC Lusaka Delegation. The project was later redesigned to hand over responsibility for its implementation to the COMESA Secretariat through a Contribution Agreement in order to increase "ownership". This has inevitably led to delays in the implementation of the project, which is not yet operational (largely because the necessary ratification process by the MS is not yet complete) thus preventing any consideration of its efficiency and effectiveness.

The delay in the granting of Contribution Agreement status to the EAC has been cause of concern, and EAC expects its own RSP/RIP in EDF 10. The RISP CA has meant that the EC's interventions in RI have been delivered efficiently and effectively. The funds have been allocated to the areas selected by the COMESA Secretariat – or through delegation to the EAC Secretariat - and have generally produced the intended results (such as the agreement on the CET, the admission of new countries to the FTA, the extension of the ASYCUDA system, the development of statistics). Outsiders might have argued for a different set of priorities, for example more attention to NTBs or more focus on monetary harmonisation but it is the purpose of the CAs that ownership is transferred and that implies the transfer of the determination of priorities. Another point made by one COMESA official is some loss in focus in the CA system compared with the project system. In the latter, one official or a group of officials was focussed on the delivery of a particular outcome. Now officials may be shifted between areas or be responsible for more than one area with an inevitable loss of concentration.

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

Identification Fiche

p. 6

The Contribution Agreement (of RISP) was a very effective aid delivery tool which promoted high ownership and alignment to the organizations' policies, procedures and strategic plans. There is evidence of improved capacities in the RECs Secretariats but more needs to be done in order to improve the systems as a whole, so as to achieve institutional changes. Inter-RO coordination is now in place and areas of disagreement have been reduced although a more elaborate MoU is needed to make coordination more effective.

Action Fiche

p. 5

As COMESA is currently the only RO that is eligible for a CA, procurement by EAC, IGAD and IOC will be through EDF procedures. The agreements will therefore initially stipulate the use of EDF procedures. It will be incumbent upon the EC to confirm that the EC procedures for these procurements have been respected. If an RO becomes CA-eligible, the Agreement will be revised to allow own procedures to be used. All other aspects of the CA are unchanged.

This innovation in the procedures facilitates COMESA management and responds to weaknesses in the current RISP programme identified by the Court of Auditors. It should also help avoid problems in procurement procedures, before they arise (rather than being faced with them after they have occurred).

2.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

- 2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries**
- 2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions**
- 2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)**

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

- 2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities**
- 2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support**

2.3 EQ 3 - To what extent has the Commission’s TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

2.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

Summary:
<ul style="list-style-type: none"> • “Complementarity between the EC and EU MS seems relatively evident.” • “In the Regional Integration and Trade sector, there is some mutual support between the EC supported RISP and the interventions of other EU members”
RSE
<p>p. 24</p> <p>Complementarity between the EC and EU MS seems relatively evident (though regional programmes of EU MS are limited - €11m - with most aid concentrated at national level). At regional level coordination is improving as a result of alignment to RIOs’ strategies and programmes. Despite some efforts to increase donor coordination (e.g. meetings promoted by the EC Delegation in Lusaka), improved coordination, complementarity and harmonisation (with both EU MS and other international partners) is mainly linked to the operationalisation of funds established at RIO level (e.g. EAC Partnership Fund and COMESA Fund). In both cases the EC has strongly promoted the establishment of the Funds although - because of procedure-related delays - it has yet to contribute to that established within EAC.</p>
<p>p. 27</p> <p>In the Regional Integration and Trade sector, there is some mutual support between the EC supported RISP and the interventions of other EU members (e.g. the NTB “real time” project of DfID for SADC, COMESA and EAC) and there is no evidence of any inconsistency or duplication). In addition, the EPA and the related aid for trade should enhance coordination.</p>

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

Summary:
<ul style="list-style-type: none"> • Policy dialogue and coordination seems to be in need of improvement according to RSE
RSE
<p>p. 21</p> <p>Structured mechanisms to ensure coordinated policy dialogue between the Delegations responsible for the four RIOs involved and between these and Delegations with national competences are not in place, nor are they currently in the making. The same applies to mechanisms to ensure structured dialogue with EC Headquarters. EC pre-IRCC coordination meetings usually take place and the sporadic participation of AIDCO representatives to the IRCC meetings has been registered, but these are yet to become structured and systematic mechanisms.</p>
<p>p. 28</p> <p>Along the same lines, it is expected that the operationalisation of the COMESA Fund, which will consist of contributions from both COMESA MS, donor agencies and other financing agencies, will increase complementarity and coordination between the regional programmes of the EC and those of EU MS (as well as of any other donor or financing agency). Investment in infrastructure could benefit from</p>

enhanced coordination and complementarity between EC, MS, Development Banks and other specialised institutions, for facilitation, preparation (including financial instruction) and monitoring.

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)

Summary:

- “The establishment of the IRCC constitutes an impressive step forward towards coordination and harmonisation among RIOs” (RSE)
- RISP 2: “Co-ordination of RISP at the national levels will be ensured through existing national task forces/fora etc. which have been established by member states to guide, co-ordinate and monitor the countries’ regional integration efforts as well as their integration in the world economy (WTO, EPA).”

RSE

p. 22

The establishment of the **IRCC** constitutes an impressive **step forward towards coordination and harmonisation among RIOs**, although no major changes can be expected without significant internal processes within each RIO.

With the exception of IGAD (as stressed also by informed persons within and outside IGAD), there is a good appreciation of the role and coordination capacity of the IRCC, although a certain degree of “top-down approach” is underlined (e.g. by IOC) with reference to the choice of focal areas of cooperation. Most RIOs agree that the coordination role would be enhanced if a stronger autonomy of the RIOs was in place through the implementation of the contribution agreements.

Coordination appears to be **strong** in [...] **fairly good in RI&T**, where the IRCC has supported COMESA and EAC in merging the EAC and the future COMESA CUs (although outcomes of the EPA negotiations are likely to change the present scenario); IRCC’s lack of mandate on micro-coordination (e.g. on collection of statistics between COMESA and EAC) has been stressed

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

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Donor co-ordination

Overall coordination with the EC and other donors will be conducted by the IRCC who will also ensure effective inter REC Coordination.

The Project Steering Committee will ensure that there is no duplication with other donor supported programmes in the same area. A comprehensive donor matrix will be developed to show activities of donors in support of regional integration. This matrix will be updated regularly and will track any new interventions. Terms of reference for the Steering Committee will be agreed during inception.

National co-ordination

Co-ordination of RISP at the national levels will be ensured through existing national task forces/fora etc. which have been established by member states to guide, co-ordinate and monitor the countries’ regional integration efforts as well as their integration in the world economy (WTO, EPA). In LDC Member/Partner States the expected point of entry for such coordination will be the national mechanisms as established under the Integrated Framework/Enhanced Integrated Framework (IF/EIF) as these mechanisms have the potential for effective coordination of national public entities and the private sector as well as with the cooperating partners. In non LDC Member/Partner States existing,

functioning mechanisms will be identified such as the Joint Economic Council in the case of Mauritius.

Co-ordination with SADC

Although SADC is not a directly participating in the programme, extensive coordination with SADC will be necessary because several SADC Member States will be beneficiaries and due to SADC's role in the SADC-EAC-COMESA Tripartite process. Cooperation at the technical level (e.g. harmonization of trade facilitation instruments) is done through the Trade/Customs and Infrastructure Sub-Committees of the Tripartite. SADC's participation in the RISP/SC as well as in the detailed annual planning of activities (AWP for RISP implementation) will further contribute to effective coordination between the RO.

Co-ordination with other Aid for Trade (AfT) related projects programmes at All ACP, African and national levels

AfT related projects and programmes of the EC, EU Member States and other co-operating partners are being implemented or planned throughout the region, at regional as well as at national levels. Other projects and programmes are expected to be introduced during the RISP's lifespan until 2015. Examples of such projects and programmes that have the potential to complement and add value to RISP – as well as at same time carrying the risks of duplication - are the DfID funded TradeMark EA, REAP and TradeMark SA; EDF/NIP funded programmes in a number of countries (e.g. in Kenya, Ethiopia, Uganda etc.); All ACP or Pan African trade related programmes from 9th EDF or being planned from 10th EDF, support at country and regional levels through the World Bank Africa regional integration support facilities etc.

Coordination with all these programmes and projects needs to be pro-active and initiated at the national levels in the first place. In most, if not all, countries national level mechanisms and structures already exist to coordinate trade and integration related policies, to mainstream trade and integration in national strategies and priorities such as PRSP etc. Examples of structures are NDTPF, EIF etc.

As much as possible coordination of RISP needs to be undertaken through existing national structures and not by creating RISP-specific structure that will prove not be sustainable beyond RISP. National AfT related coordination mechanisms may be supported through RISP (result 5), provided no support is already available or planned from other sources (e.g. DfID TradeMark EA and TradeMark SA).

Furthermore, coordination of programmes is required at the regional levels, within each of the RO, and between the RO. Within each RO, adequate structure and mechanisms need to be established or strengthened. Such structures need to be established and mandated in such ways that final responsibilities rests with the RO's Policy Organs. This is necessary in order to strengthen the coordination between national and regional levels respectively. In COMESA, for example, a dedicated Aid for Trade unit will be strengthened (DfID support) to play this role within the framework of the COMESA Regional Aid for Trade strategy.

Coordination at African level and with Intra ACP initiatives will be ensured through appropriate mechanisms such as established within the JAES Partnerships, namely the Partnership on infrastructure, trade and integration, as well as the IRCC.

2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries

2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

Summary:

- Regional Integration and Trade mentioned as areas where EC can contribute added value

RSE

p. 24

EC 'added value' contribution at regional level is relatively evident, given its institutional mandate on trade, its regional know-how (few MS have regional strategies in place) and the importance of its regional

programme envelopes. In CPRM, in contrast, lack of personnel and substantive knowledge prevents the EC from fulfilling its potential for strong comparative advantage linked to the existence of relevant EU continental initiatives and facilities.

p. 28

With respect to the **value added** of the EC intervention, this is particularly evident and relevant to the EC specific mandates and capacities. In the ESA-IO programme, the importance of the EC value added has been prominent under different respects:

- the specific EU know-how in regional integration and the weight of this area of intervention in the EU development strategies have allowed the Commission to run the most important support programme to regional integration in this, as in other parts, of Africa;
- the EC mandate and responsibilities on trade have allowed the Commission to lead the EPA negotiation process and to qualify as the most important partner for trade liberalisation and market integration in the region;

JC 3.4 – Complementarity between support to global TRA interventions and regional TRA

- 2.3.3.5 I 3.4.1 Evidence that implications for regional TRA strategies have been considered when contributing to global initiatives**
- 2.3.3.6 I 3.4.2 Evidence that Commission’s support to global initiatives addresses challenges not equally addressable through regional strategies**
- 2.3.3.7 I 3.4.3 – Evidence of Commission’s regional TRA integration strategies providing added value compared to global initiatives**

2.4 EQ 4 - To what extent has the Commission's support contributed to an improved trade policy environment at national level?

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

2.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

2.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

Summary:
<ul style="list-style-type: none">Regional integration institutions were foreseen to be strengthened under RISP
Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716
Identification Fiche
p. 2
At the end of the programme (RISP) it is expected that: [...]
- Regional institutions which implement and monitor regional integration policies and regulations are strengthened and capacitated, including intermediary organisations that service private sector;

2.4.2.4 I 4.2.4 Changes of 'customer' satisfaction related to the output produced by trade-related public institutions

2.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

2.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations

Summary:
<ul style="list-style-type: none">Under RISP, strengthening negotiating capacities was planned through several forms, and according to the Identification Fiche of RISP 2 has contributed thereto.RISP 2: "An ESA-IO Negotiating Mechanism for trade and economic relations with all third countries will be established to assist in building the capacity of Member/Partner States in the preparation of common positions on multilateral and bilateral trade negotiations."
Regional Integration Support Programme (RISP) - FED/2004/016-976
CA - Annex 1
p. 3 Planned activities: Assisting the ESA (Eastern and Southern Africa) regional negotiations and the RNF (Regional Negotiating Forum) to prepare negotiating positions and to negotiate an ESA EPA Developing and implementing a trade capacity building programme to develop capacity in negotiating and implementing trade agreements in: comparative advantage; regional integration; trade creation and diversion; RIO treaty provisions; implementing a FTA/CU (removal of tariffs, Rules of Origin, export incentives, subsidies, revenue sharing); trade facilitation (customs co-operation, public procurement, TBTs, SPS, anti-dumping, safeguards, competition policy, etc.

p.23/24

The TCBP (Trade Capacity Building Programme) will be developed in modules and could include the following modules:

- the theory of comparative advantage;
- regional integration and Regional Integration Organisation treaty provisions;
- trade creation and diversion;
- implementing a FT A/CU (removal of tariffs, Rules of Origin, export incentives, subsidies, revenue sharing); and
- trade facilitation (customs co-operation, public procurement, TBTs, SPS, anti-dumping, safeguards, competition policy, etc.).

Part of the programme of TCBP will be to develop national structures and skills and this will involve strengthening the National Development and Trade Policy Fora (NDTPFs) structures.

The TCBP will take account of other training available to Member States and will only supplement this existing training, on a needs-assessment basis.

p. 24

In Geneva, ESA Permanent Missions work within the framework of the Africa Group, the member of which have much in common, but the Group also needs to incorporate the interests of countries with fundamental differences. The role of the RISP Geneva Liaison Officer will be to co-ordinate the activities of the ESA countries and to promote a group position on various issues. This will be done by holding regular meetings of the ESA Geneva Group. The meetings will have two main outputs: (i) the production of regular reports on WTO issues, which can be sent back to capitals and the RIO Secretariats and (ii) the development of a rolling work programme which will include the preparation of position papers on various issues.

The Brussels-based Ambassadors have requested the assistance of the COMESA Secretariat in the preparation and implementation of the negotiations and have also requested that COMESA in particular establish a permanent presence in Brussels to assist the Brussels-based Ambassadors in the EPA negotiations. The RISP' Brussels liaison Officer will act as a Secretariat for the EPA negotiating team and will co-ordinate the preparatory technical work to be done for the negotiations. The Liaison Officer will also represent the RIOs at ACP meetings in Brussels.

The last ESA Ministerial Meeting held in Lusaka, Zambia on 6th December 2004, agreed to recruit a Chief Technical Adviser (CTA), to be based in Brussels, to assist the Ambassadors in the negotiations and the process of recruitment for the CTA is underway.

p. 24

Assisting the ESA regional negotiators and the RNF to prepare negotiating positions and to negotiate an ESA EPA.

The ESA region has also decided that a Chief Technical Adviser to the negotiations should be recruited to guide the negotiations.

The COMESA Secretariat has carried out a number of studies to support ESA States to prepare a negotiating position. There are, however, a number of other studies which need to be carried out in the context of preparing for trade negotiations (WTO, EPA and regional). The studies, which will be defined by the Regional Negotiating Forum, are expected to be on topics such as development issues, market access, removal of supply-side constraints, effects on revenue and competitiveness of implementing EPAs, agriculture and fisheries, rules of origin, trade in services, intellectual property rights and investment.

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

Identification Fiche

p. 6

The final report of the mid-term evaluation of the 9th EDF RISP concluded that the programme contributed towards economic integration within ESA. RISP helped increase the number of countries that signed up to the COMESA FTA. It has addressed convergence by advancing the discussions on the CET adoption and implementation; progress in the adoption of CET is partly attributed to it. RISP has also contributed to improved capacity in trade negotiations and awareness about the importance of trade

in the region.

Action Fiche – Annex 1

p. 17

An ESA-IO Negotiating Mechanism for trade and economic relations with all third countries will be established to assist in building the capacity of Member/Partner States in the preparation of common positions on multilateral and bilateral trade negotiations.

A regional Monitoring and Evaluation framework will be established under this result area and will be used to monitor the impact of the various trade agreements.

Following the success and positive impact of the COMESA Brussels Office, the programme will strengthen this office to also cover WTO and Geneva based UN Agencies (UNCTAD, WIPO, WHO, etc).

2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations

2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

2.5 EQ 5 - To what extent has the Commission’s TRA to trade facilitation contributed to reducing trade-related transaction costs?

2.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

2.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced

2.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

2.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

2.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)

Summary:

- Under RISP, several interventions addressing customs were planned, e.g. “Support implementation of a computerised customs management system” and the implementation process of the Customs Union Protocol was planned to be pursued.

Regional Integration Support Programme (RISP) - FED/2004/016-976

CA - Annex 1

p. 3 Planned activities:
 Aligning national tariffs on CTN and adopting HS2002 and WTO valuation codes.
 Support implementation of a computerised customs management system
 Reviewing CU revenue collection systems and admin. Procedures

p. 19
 The implementation process of the Customs Union Protocol will be pursued in focussing on the following activities:
 i) Creating awareness of EAC Customs Union Protocol among the stakeholders.
 ii) Periodical assessment of the success of the implementation of the Common External Tariffs and elimination of intemal duties;
 iii) Identification of non-tariff barriers and the development and implementation of permanent mechanisms for monitoring and removing them; and
 iv) Promoting public-private sector dialogue: A forum will be instituted to formalise dialogue between the Public sector and the Private sector to discuss issues which help promoting the EAC Customs Union in particular and the integration process in general.

2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)

Summary:

- RISP supported the promotion of Customs unions
- RISP supported the “implementation of ASYCUDA, a key component of RICTSP, and the implementation of other systems and tools such as the Regional Customs Transit Guarantee Scheme and EUROTRACE system”

RSE

p. iii

The Programme has provided a tremendous support to the EPA process and has helped implementing trade liberalisation, and market integration, including the promotion of CUs all over the region. Building the institutional framework of a common market, where CUs are being created/consolidated, remains a challenge. Different interim EPAs and the advancement of EAC CU compared to COMESA emphasise the issue of harmonisation as the best way to address the regional disparities and asymmetries in the market integration process.

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

Action Fiche – Annex 1

p. 4

Support to regional economic integration under the 9th EDF was provided mainly through the Regional Integration Support Programme (9th EDF RISP), the Regional Information and Communication, Technology Support Programme (RICTSP) and the Regional Integration Support Mechanism (RISM). While each programme or project has its own specific objective, their areas of intervention are closely linked. For example, the implementation of ASYCUDA, a key component of RICTSP, and the implementation of other systems and tools such as the Regional Customs Transit Guarantee Scheme and EUROTRACE system, which are supported through the RISP all form part of COMESA's Trade Facilitation Programme. Coordination between ASYCUDA and RISP has been made and the ASYCUDA system has contributed to the Trade Facilitation Programme. However, due to the fact that ASYCUDA was part of a distinct programme, the potential synergy with RISP has sometimes been underutilised. In designing the 10th EDF RISP, care was taken therefore to address Regional Integration issues in a more comprehensive manner.

p. 16

The programme will also continue to support the implementation of the ASYCUDA system (ASYCUDA++) in Member States. The Regional ASYCUDA Centre will help to build the capacity of Member/Partner States first by focusing on those countries that are already using ASYCUDA++ and then help those that wish to adopt the ASYCUDA World System by designing a strategy to upgrade and train staff as well strengthening the capacity of countries. Training programmes will be designed and rolled out in the Member/Partner States. Where necessary, equipment will be procured to assist in the implementation of the project.

2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

2.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

Summary: <ul style="list-style-type: none"> • NTBs, inter alia related to SPS, have been identified as having adverse impact on the movement of intra-COMESA trade and a mechanism for monitoring and reporting has been introduced by COMESA • RISP plans to build the “capacity of member States to monitor and implement the WTO TBT and SPS agreements.”
Regional Integration Support Programme (RISP) - FED/2004/016-976
CA - Annex 1
<p>p. 21</p> <p>NTBs identified by COMESA as having adverse impact on the movement of intra-COMESA trade include: customs clearance procedures; import regulations; sanitary and phytosanitary measures; non-tariff fees; technical regulations; and transit fees.</p> <p>COMESA has introduced a mechanism for monitoring and reporting NTBs which involves the publication of guidelines to the business community on the areas identified as NTBs, ensuring each country has a designated COMESA Enquiry Point to track and monitor NTBs affecting intra-COMESA trade and publication of a common form for use by traders in reporting NTBs to a COMESA Enquiry Point.</p> <p>COMESA also sees the need to design a permanent institutional mechanism to monitor and address NTBs on a continuous basis</p>
<p>p. 26</p> <p>Building of the capacity of member States to monitor and implement the WTO TBT and SPS agreements.</p> <p>The WTO/TBT and WTO/SPS agreements have imposed obligations on member States. In general they are required to establish functioning enquiry points, notify standards and technical regulations, especially those not consistent with international standards, as well as use internationally accepted practices for development of national standards. Studies have however shown that currently most partner states have very little or no technical and human capacity to do that.</p>

2.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

Summary: <ul style="list-style-type: none"> • The situation of standard setting in COMESA is described in RISP CA.
Regional Integration Support Programme (RISP) - FED/2004/016-976
CA - Annex 1
<p>p.25</p> <p>Current situation in ESA countries</p> <p>COMESA has established a Committee on Standardisation and Quality Assurance. To date 105 COMESA Harmonised Standards have been adopted. The Committee has endorsed five new areas for standards harmonization: building and construction materials, primary agriculture products including dairy and fish products, electrical accessories, textiles and leather and timber products. The adoption of the standards is a significant step in the process of elimination of trade barriers within COMESA and with other foreign partners.</p> <p>The East African Community has also established over 509 harmonised standards and continues to</p>

develop more. In addition, some preliminary studies have been undertaken to collect information on national capacities to implement standards.

There is need to build capacity of member States in the partner organisations to implement technical regulations and SPS measures more effectively by developing capacity in testing, measurement traceability, certification, accreditation as well as monitoring of SPS and TBT Agreements.

2.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

2.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

Summary:

- National Working groups shall be supported under RISP

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p. 4 planned activities Result 5:

- Support national Working Groups of COMESA, EAC, IOC and IGAD member States, such as NDTPF, comprised of senior policy makers (Permanent Secretaries of Ministries) and private sector representatives which will oversee the work of RIOs' national working groups (such as NWG on customs, the NWG on ICT) and implementation of work programmes designed to implement decisions taken by the Policy Organs of the RIOs.

p. 4 planned activities Result 6:

- Monetary and fiscal policy harmonization
- Implementing the Regional Payments and Settlement System

2.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

2.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

2.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

Summary:

- RISP planned support to the Development of the necessary technical competence in the areas of measurement Traceability, Certification Testing and Accreditation
- RISP 2 plans institutional strengthening and building for example of an Regional Standards and SPS accreditation body

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Development of the necessary technical competence in the areas of measurement Traceability, Certification Testing and Accreditation

To implement technical regulations effectively, a country needs not only to be able to establish standards but must also have an effective conformity assessment infrastructure, which should include testing

measurement traceability (Metrology), certification as well as accreditation. The needs of the partner states will vary from one country to another depending on the level of development of their quality infrastructure.

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p. 13

The programme will support the establishment/strengthening of institutions related to the regional integration agenda, such as:

- Competition Authorities,
- Regional Investment Agency,
- Courts of Justice,
- Regional regulatory bodies for energy, ICT and economic corridors,
- COMESA Regional Customs Directorate,
- EAC Customs Authority,
- Regional Standards and SPS accreditation body,
- Regional Laboratories.

In the case of regional institutions that are already established, a capacity strengthening programme will be developed which will be based on identified needs. Every REC will conduct mapping for institutions that need to be established and/or supported and develop frameworks and roadmaps. RISP support to institutions will be focussed upon those relevant to the establishment and operationalisation of the CU, CM and MU promoted by the RO, including structures that specifically address gender (e.g. FEMCOM). The RO will, within the Tripartite framework decisions, endeavour to harmonise and, where feasible, rationalise the scope of the institutions.

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

Summary:

- RISP planned to develop capacity of member States to develop standards and participate in the standard settings process at international level

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Development of the capacity of member States to develop standards and participate in the standards setting process at the international level.

According to a number of studies, many partner states have not been active in international standards setting activities, yet these determine what international standards are adopted. In turn these standards are recommended for use by WTO member states to which many partner states belong.

2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies

Summary:

- RISP planned to assist in preparing negotiation positions for international negotiations i.a. on SPS, TBT, Standards, etc.

Regional Integration Support Programme (RISP) - FED/2004/016-976

p. 3 Planned activities:

Assisting the ESA regional negotiations and the RNF to prepare negotiating positions and to negotiate an ESA EPA

Developing and implementing a trade capacity building programme to develop capacity in negotiating and implementing trade agreements in: comparative advantage; regional integration; trade creation and diversion; RIO treaty provisions; implementing a FTA/CU (removal of tariffs, Rules of Origin, export incentives, subsidies, revenue sharing); trade facilitation (customs co-operation, public procurement, TBTs, SPS, anti-dumping, safeguards, competition policy, etc.

p. 3 planned activities Result 3:

Working with National Standards Bureaux and other relevant bodies to:

- Develop harmonised regional standards
- Build the capacity of member States to be part of the standard's setting process; and
- Develop the necessary technical competence in the areas of standardisation, measurement traceability, certification and testing, building on the review of the regulatory framework(s) for technical regulations
- Strengthening of National Regulatory Frameworks

2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies

2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 JC 6.4 - Cost of compliance reduced

2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance

2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

2.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

2.7.1 *JC 7.1 Degree to which Commission TRA facilitated the development and conclusion of regional legal and institutional architecture, addressing key issues for economic integration*

2.7.1.1 I 7.1.1 Commission regional policy and strategy documents identify appropriate actions to address key barriers for regional integration (regulatory/ legislative, institutional) and to assist adjustment (gap analysis and programming)

Summary:
<ul style="list-style-type: none">• Joining COMESA FTA and moving towards a custom union took more time than expected.• A cause and effect analysis identified several issues (see below)
REGIONAL INTEGRATION SUPPORT MECHANISM (RISM) - FED/2007/020-778
Financing proposal
Although steady progress in Implementing the regional trade agenda is being made, it is recognised that some countries have taken more time than initially planned to join the COMESA FTA. Countries are also taking cautious steps in moving towards the Customs Union, while the principle of reciprocity of trade liberalisation in the context of the EPA has recently met a number of protests from regional NGOs. A cause and effect analysis of the specific problems to be addressed with regards to the implementation of the Integration agenda of the region at the ESA-IO levels leads to the following main issues: <ul style="list-style-type: none">• The limited financial capacity of member States to address the short term constraints of trade liberalisation, including direct revenue losses related to Imports and the adjustments that would be required to maintain macro-economic stability;• The need to improve coordination and coherence In the formulation and Implementation of national and regional policies;• The need for more technical support to the harmonization process of regional Integration policies among the different ROs in the ESA.

2.7.1.2 I 7.1.2 Regional trade and investment policy strategies in place and embedded in a coordinated agenda for implementation

Summary:
<ul style="list-style-type: none">• COMESA Secretariat has provided a detailed road-map for an eventual common market.
RSE
p. 30
The principal actor in RI is the COMESA Secretariat, which has provided a detailed road-map for an eventual common market. The Field Mission confirmed that the COMESA Secretariat has received EC funds through Contribution Agreements and has largely defined the RI priorities itself.

2.7.1.3 I 7.1.3 New protocols, framework agreements or harmonised regulations agreed and implemented

Summary:
<ul style="list-style-type: none">• SADC/COMESA/ECA Tripartite Task Force is addressing harmonization of the RIOs• RISP planned to support harmonization in Common Tariff Nomenclature (CTN) and statistics• RISP 2 planned to design and adjust policies and regulations related to COMESA FTA and Customs Union, i.a. Standardization, Accreditation, Metrology and Conformity Assessment (SAMCA)
RSE
p. 6
In order to overcome the problems linked to overlapping mandates and membership, the four RIOs have

put in place various measures to work towards complementing each other, including: (i) the signing of Memoranda of Understanding (MoUs) to harmonise and coordinate regional policies and programmes; and (ii) the alignment of trade regimes through the creation of the Joint COMESA-SADC Task Force, later expanded to include EAC and now known as the Tripartite meeting. In this regard, the Inter Regional Co-ordinating Committee (IRCC), initially set up to facilitate the implementation of the RIP of the 9th EDF, is playing a critical role as it acts as a forum of discussion between the four RIOs (and the EC and SADC).

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In the **Regional Integration and Trade** area there has been little apparent progress in reaching any agreement between the SADC and the ESA-IO RIOs. The Task Force between SADC and COMESA, established in 2001 with the objective of discussing differences between the CU envisaged in COMESA and that in SADC, was restructured (May 2006) to include EAC thus becoming the SADC/COMESA/ECA **Tripartite Task Force**. This Task Force represents clear progress (at least from the institutional point of view) in the harmonisation process. It has been meeting regularly to better tackle technical, strategic and policy issues and now includes the Secretary Generals of the three RIOs. The Secretariats have established a sub-committee on Trade and Customs and have planned a Ministerial Meeting (October 2008) which is expected to authorise more detailed work at technical level on the harmonisation of custom unions. Overall, it is expected that - after some years of generally slow-moving coordination efforts by the COMESA, EAC and SADC Secretariats - the envisaged Tripartite Ministerial meeting will give new life to the process.

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p. 4 Planned activities Result 4:

- Developing and implementing a programme to further develop capacity in appropriate statistical organisations at the national level so that statistics on external trade are timely and accurate and that economic statistics produced use harmonized methodologies.
- Further development competent statistical skills in the RIOs so that they are able to adequately respond to the demands of potential users and decision-makers
- Identifying relevant models for trade policy impact assessment
- Undertaking capacity building on use of identified models
- Undertaking firm level surveys to assess impacts of trade policy at the firm level

p. 19

COMESA has adopted a Common Tariff Nomenclature (CTN) along the Harmonised System (HS) Version 2002 at the 8-digit level and goods are classified in four categories: capital goods, raw materials, intermediate goods and finished products.

The Secretariat will provide assistance, to a number of member States to migrate from older versions of the Harmonised System to HS2002. Assistance will also be provided to some member States to adopt and start using the WTO Valuation Agreement.

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

Action Fiche

p. 3 Foreseen activities under Result 1

- 1.6 Design and adjust policies and regulations which govern the COMESA Free Trade Area; COMESA Customs Union; COMESA Common Market and Monetary Union;
- 1.7 Design and adjust policies and regulations which govern EAC Customs Union; EAC Common Market (by 2010) and Monetary Union;
- 1.8 Support the inclusion of the Islands States' specificities in the COMESA agenda through the IOC;

Action Fiche – Annex 1

An area of particular attention is Standardization, Accreditation, Metrology and Conformity Assessment (SAMCA) where regional policies and mutual recognition frameworks are already being developed in order to support the implementation of the Customs Union. The programme will support activities

aimed at ensuring adoption of the Regional SAMCA Policy and regulatory framework by Member States.

2.7.1.4 I 7.1.4 Number of regional economic communities supported by Commission TRA that have adopted provisions on TBT, SPS and trade facilitation

Summary:

- Support in this area is given, but facing some problems according to RSE (“little emphasis is put on the establishment of the legal framework (laws and justice institutions)”, “Less progress has been made on non-tariff barriers (NTBs) which significantly hamper intraregional trade.”)

RSE

p. 29

The impact of the RISP ranges from the **important widening of the COMESA FTA** to the still **insignificant progress of monetary and fiscal harmonisation**. More emphasis is finally being placed on the necessary conditions for a Customs Union – standards, SPS and other non-tariff barriers although little emphasis is put on the establishment of the legal framework (laws and justice institutions) needed for its effective functioning.

p. 30

Now 2½ years after the launch of RISP, eight professionals are employed on RI in the COMESA Secretariat. Work is proceeding on the FTA/CU alignment timetable and a sensitive list has almost been agreed. Standards, Rule of Origin, Common Tariff Nomenclature (CTN) have been largely agreed under the ‘COMESA Trade Policy’. The RISP also pays for translation services, monitoring and evaluation units, and for a tendering and evaluation system. In all the EC pays roughly for 25% of recurrent expenses of the COMESA Secretariat.

p. 32

Less progress has been made on non-tariff barriers (NTBs) which significantly hamper intraregional trade. To some extent, they may have actually increased with the elimination of tariffs, although the evidence is inevitably anecdotal. There are regularly reported cases of exports from other CU or FTA members being rejected because they do not meet the importing country’s standards or Sanitary and Phytosanitary (SPS) rules, or of their being detained for unnecessary periods at the borders, or of other forms of what is effectively protectionism. Both the EAC and COMESA Secretariats have programmes under way to deal with these problems and increasing attention is being placed on standards, SPS and so forth. The EAC approach appears to be more pro-active and – as in other areas – the EAC Secretariat seems to be ahead.

2.7.2 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

2.7.2.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

Summary:

- “With the support of successive EC Regional Integration support programmes, both in the EAC CU and in the COMESA FTA, tariffs have been eliminated (excluding some sensitive goods in the EAC where there is a timetable for elimination).”
- RISM especially supported the fiscal adjustment process of those ESA countries who liberalise their tariffs vis-à-vis other member countries joining the COMESA or EAC free trade area

RSE

p.32

With the support of successive EC Regional Integration support programmes, both in the EAC CU and in the COMESA FTA, tariffs have been eliminated (excluding some sensitive goods in the EAC where there is a timetable for elimination). Apart from the fact that several COMESA MS are not yet participants in the FTA, the achievement of tariff-free trade among the FTA members is a striking success, and far in advance of what has been achieved in most other African regions. Growth in intra-

regional trade has increased substantially, and, although exports to the rest of the world have increased faster than intra-regional exports this is because of rapid growth in world demand for raw materials, minerals and fuels. In the case of food and manufactures, intra-regional exports have risen significantly faster than extra-regional exports.

REGIONAL INTEGRATION SUPPORT MECHANISM (RISM) - FED/2007/020-778

Financial Proposal

p.11

The RISM should particularly assist in the fiscal adjustment process of those ESA countries who liberalise their tariffs vis-à-vis other member countries joining the COMESA or EAC free trade area, adopt - or move towards adopting - the Common External Tariff of a regional Customs Union and are prepared to make commitments to eliminate an agreed list of non-tariff barriers over the course of a defined period.

2.7.2.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

Summary:

- RISP 2 plans to support nationally the implementation of regional and global trade arrangements
- Specific tasks as monitoring, a baseline survey, capacity building and promotion activities are foreseen.

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

Identification Fiche

p. 2

At the end of the programme (RISP) it is expected that:

[...]

- Capacity of member states to fulfil their regional integration commitments, in particular to implement and enforce their trade liberalisation commitments (FT A and CU), is enhanced;

Action Fiche

p. 3 foreseen activities under Result 5

- 5.1. support national initiatives to improve policy coherence at national level ;
- 5.2. support capacity building in Member/Partner States in implementing their regional integration and global trade arrangement commitments;
- 5.3. support to enhance regional dimension in national initiatives on donor coordination in respect of trade liberalisation and integration
- 5.4. support national stakeholders fora to identify and maximise opportunities under multilateral trading arrangements (EPA, WTO) and Aid for Trade

Action Fiche – Annex 1

p. 16

The programme will support processes in Member/Partner States to strengthen trade liberalisation and integration commitments in national strategies and policies such as in national development plans, PRSP, liberalisation of services, infrastructure developments etc. The programme will contribute to the monitoring by national governments of the implementation of their regional integration commitments. Baseline surveys will be undertaken to establish the status on capacities in the Member/Partner States. Results of the base line surveys will be used to design appropriate interventions (training programmes, supporting or establishing national mechanisms for coordination among public services, with private sector, donors and other stakeholders). Sensitisation/awareness campaigns on regional integration will be carried out. As much as possible use will be made of existing mechanisms and surveys and prioritisation of activities at national levels will be closely coordinated with other regional integration support programmes and initiatives (e.g. Dfid Trademark and REAP projects). (see Implementation chapter 4

below).

Following the baseline surveys, the programme will support capacity building in Member/Partner States in wide range of areas such as: macro-economic analysis; implementation of the WTO commitments by Member/Partner States; national NTB monitoring committees, capacities in the areas of Standardization, Accreditation, Metrology, Conformity Assessment and SPS; implementation of competition policies, implementation of public procurement legislation, developing and improving Intellectual Property Rights legislation; strengthen capacities in MS/PS to implement harmonised policies that improve the business environment such as frameworks to facilitate the establishment of enterprises or the avoidance of double taxation etc.

Particular attention will be paid to promotion of implementation of regional frameworks at national level that enhance connectivity in infrastructure (ICT, transport and energy).

2.7.3 JC 7.3 Degree to which Commission TRA strengthened institutional capacities of regional secretariats to support regional integration processes

Summary:

- According to RSE, through the Contribution Agreement, COMESA has “made significant progresses in putting in place policies and plans for regional integration, design and negotiation of regional integration and EPAs”

RSE

p. 58

RI&T - COMESA and EAC have made significant progresses in putting in place policies and plans for regional integration, design and negotiation of regional integration and EPAs.

2.7.3.1 I 7.3.1 Robust analysis of the level of regional capacity and clear identification of drivers and constraints for improving capacity

Summary:

- A regional training needs assessment on regional trade and negotiation issues was foreseen under RISP 2

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

Action Fiche

p. 4 planned activity under Result 6

- 6.3 undertake regional training needs assessment on regional trade and integration issues and support capacity building on trade negotiations skills

2.7.3.2 I 7.3.2 Evidence of effective mechanisms for regional consultations with private sector and other non-state actors to provide voice

Summary:

- RISP 2 was planned to address the establishment and strengthening of public and private sector organizations to participate in regional integration agenda

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

Action Fiche

p. 3 foreseen activities under Result 3

- 3.1. establishment and/or strengthening of regional institutions and public sector associations related to the implementation of the regional integration agenda of the regional organisations;
- 3.2. strengthen the capacities of private sector organisations to formulate, implement and monitor private sector interests in relation to the regional integration agenda of the ESA-IO region;

2.7.3.3 I 7.3.3 Increased quality of outputs of TRA supported regional institutions, incl. support to adjustment in member states

Summary:

- RISM supports the adjustment process in member states, but the “present set-up raises some concerns linked to the possible trade-offs between the EAC CU and COMESA’s administration of the RISM with EAC member states.”
- RISP plans several capacity building measures for the RECs in different areas.

RSE

p. 25

With regards to **RI&T** there are no major clashes between the NIPs and the RIPs, but there is no mutual support either. At implementation level a particularly important role should be played by the RISM (though it should be reviewed and adapted to the present situation – see EQ2) that establishes a fund to support member countries in participating fully in the COMESA and EAC free trade area and customs union, whereby MS will submit an application for funding under the RISM Facility through the COMESA Fund. The present set-up raises some concerns linked to the possible trade-offs between the EAC CU and COMESA’s administration of the RISM with EAC member states.

Regional Integration Support Programme (RISP) - FED/2004/016-976

CA - Annex 1

p. 2

The programme's purpose is to develop the capacity of the RIOs and their member States in policy formulation, implementation and monitoring of regional integration, multilateral and regional trade and in trade related areas.

p. 15

To provide support for capacity building in business processes of COMESA, EAC, IGAD and IOC Secretariats to achieve and maintain internationally recognised standards of corporate governance. In particular the programme will identify the capacity building needs in the business process of the RECs and will focus on Human Resource Development, planning and programming, monitoring, legal services, IT as well as finance and budgeting and administration, including procurement and recruitment.

Regarding finance and budget specifically, the regional organisations will further improve their rules and procedures (processes) such as through more efficient public sector accounting principles, strengthened internal controls (financial control within Finance Departments as well as Internal Audit) and consider with their Member/Partner States the introduction of medium-term expenditure frameworks (MTEF) related to the financing of their respective multi annual strategic plans.

Specific activities will entail developing more efficient systems and procedures on human resources management and procurement, and administrative management in general, adapted to modern management principles within public organisations, including the preparation and dissemination of the relevant manuals for the organisations and the training of staff at appropriate levels and using modern web-based tools, to optimise compliance with the organisations’ rules and procedures.

Investment in IT will focus on improving the capacities of the organisations to support information systems immediately relevant to the achievement of their objectives related to FTA, Customs Unions and Common Markets. Within the organisations, investments and capacity building will be required to broadly improve the systems and security implementation.

This programme component will be implemented in close coordination with relevant ongoing and planned 9th and 10th EDF programmes, notably the 9th EDF IGAD capacity building programme and the IRCC support projects. The IRCC projects will specifically support training of staff on the systems and procedures that will lead to CA eligibility for EAC, IOC and IGAD.

2.7.3.4 I 7.3.4 Existence of operational monitoring mechanisms for implementation and impact measurement (from e.g. ex- and importers) of regional agreements

Summary:

- “**Joint monitoring** systems at IRCC or COMESA level are not in place” (RSE)

<ul style="list-style-type: none"> • Under RISP, the development of a surveillance mechanism to monitor regional integration performance was foreseen • COMESA Secretariat elaborates a regional surveillance mechanism which consists of “a set of regional and national Indicators with regards to tariff reform and trade liberalization, trade facilitation , transit facilitation, investment, monetary convergence, and immigration.” (RISM)
RSE
<p>p. 25</p> <p>Joint monitoring systems at IRCC or COMESA level are not in place but all RIOs have technical committees which contribute to national policy formulation bodies.</p>
REGIONAL INTEGRATION SUPPORT MECHANISM (RISM) - FED/2007/020-778
Financial Proposal
<p>p. 16</p> <p>The administrative monitoring of the project Implementation will be done by the IRCC . Technical monitoring (Annex X) will be done through the regional surveillance mechanism which is under elaboration at the COMESA Secretariat .</p> <p>The regional surveillance mechanism will consist of a set of regional and national Indicators with regards to tariff reform and trade liberalization, trade facilitation , transit facilitation, investment, monetary convergence, and immigration.</p>
Regional Integration Support Programme (RISP) - FED/2004/016-976
CA - Annex 1
<p>p. 3 Planned activities:</p> <p>Develop a surveillance mechanism to monitor regional integration performance</p>
<p>p. 19</p> <p>Member States have entered into commitments at the regional level to implement a number of programmes aimed at reducing poverty and increasing economic growth in the region. There is a need to develop a surveillance mechanism that would allow COMESA as an organisation to measure the effectiveness of COMESA programmes in promoting regional integration. To this effect. a set of Indicators on a country basis will be developed. The indicators will cover programmes related to tariff reform and trade liberalization, services liberalisation, trade facilitation, transit facilitation, investment, macro-economic convergence and free movement of persons.</p>

2.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government

Summary:
<ul style="list-style-type: none">• According to the Identification Fiche, capacity building for NSAs was foreseen under RISP 2
Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716
Identification Fiche
p. 2 The Non State Actors will also benefit through availability of a conducive environment and also directly through capacity building programmes that will also cover regional representative NSA bodies.

2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

Summary:
<ul style="list-style-type: none">• Support to the region's investment promotion agencies is foreseen under RISP 2
Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716
Action Fiche – Annex 1
p. 3 Foreseen activities under Result 1 Through the region's investment promotion agencies (coordinated by regional agencies such as COMESA Regional Investment Agency), target sectors will be identified to allow IPAs to develop strategies that are tailored to the specific requirements of the Member/Partner States. A regional business intelligence system and databases will be developed enabling the IPAs to better understand investment trends and publications will be developed for the Member/Partner States to better show their investment opportunities and investment climate. Training programmes will be promoted to develop the capacities of the national IPA in close coordination with other projects and programmes at ACP, African, regional and national levels.

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements

Summary:
<ul style="list-style-type: none">• Foreseen activity under RISP 2 is "develop regional sector strategies aimed at building capacities to promote investments in prioritised sectors"
Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716
Action Fiche
p. 3 Foreseen activities under Result 1 2.2 develop regional sector strategies aimed at building capacities to promote investments in prioritised sectors

2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns

2.8.2.3 I 8.2.5 - Availability of quality investors' information/guides

Summary:

- Customs and taxation databases were planned to be supported under RISP

Regional Integration Support Programme (RISP) - FED/2004/016-976

CA - Annex 1

p. 3 Planned activities Result 7:

Establishing a regional database on taxation and developing a programme (including indirect taxation, tax incentives, tax treaties, etc.) to be implemented at the nation level, aimed at harmonizing tax policy, with a view to implementing a regional common market and capital market.

p. 20

COMESA will continue to implement ASYCUDA (Automated System for Customs Data and Management) in member States and work with UNCTAD on the further development of the system to ensure that the system continues to meet the requirements of its users in the region. The requirements include among other regional transit system, better targeting through customs intelligence and capacity building.

2.8.3 JC 8.3 Improved access to trade finance

2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed

Summary:

- “significant progress has been made, with the assistance of the RISP, in the Regional Payment and Settlement System (REPSS) (now almost operational) and the functioning export credit and investment insurance agency (ATI-ACA).”

RSE

p. 33

Progress on this front has been slow although it should be noted that the COMESA ‘road map’ does not prioritise these areas.

Within COMESA a task force has been set up to assist the introduction of limited currency convertibility and an informal exchange rate union. The introduction of a fixed exchange rate system by 2010 is planned but full Monetary Union, involving the use of a common currency issued by a common Central Bank, is only envisaged for 2025.

A set of macroeconomic convergence criteria were agreed in 2004 including in the first stage (2005-2010) an overall budget deficit/GDP ratio of not more than 5%, an annual inflation rate not exceeding 5% and external reserves of equal to or more than four months of imports of goods and non-factor services. The secondary criteria included the maintenance of stable real exchange rates, a sustainable real growth rate of real GDP of not less than 7%, reduction of the current account deficit to a “sustainable” level, maintenance of a domestic investment rate of at least 20%, implementation of the 25 Core Principles of Bank Supervision and Regulation based on the agreed Action Plan, and the modernisation of payment and settlements system. Such objectives might have a positive effect on coordination processes but, from the point of view of implementation, are hardly realistic. In some respects, they exceed the agreed EU macroeconomic criteria agreed under the Maastricht Treaty. It is now apparent that the more ambitious goals for the convergence criteria were established by the COMESA Council of Ministers, who continue to argue that a gradualist approach to economic and monetary union is the optimal way to proceed.

On the more practical side, there has been some liberalisation in the banking sector – with a high degree of cross-border inter-bank borrowing and lending, although the national banking supervisors do not appear to encourage competition from other MS. Overall little progress has been made in the harmonisation of banking supervision or monetary issues (both in the hands of central bankers) or fiscal

systems (including VAT). These have not been priorities for either the COMESA or the EAC Secretariats or members.

A single bank regulatory system seems remote, though there are regular meetings of the MS bank supervisors. On the other hand significant progress has been made, with the assistance of the RISP, in the Regional Payment and Settlement System (REPSS) (now almost operational) and the functioning export credit and investment insurance agency (ATI-ACA).

2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

2.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors

Summary:

- EC support to ESA-IO has “contributed to the strong regional increase in intra- and extra-regional trade, driven by external factors (high international demand, etc.), by helping improve regulations and integration of the markets, transport and communication systems and management of natural resource.” (RSE)
- “Three of the four RIOs covered by the evaluation (COMESA, EAC and IOC), stress the importance of regional integration as the principle lever for an increased rate of economic growth and for a reduction in poverty, and in that objective they have been strongly supported by the EC.” (RSE)

RSE

p. iii

Trade increase has been the main driver of economic growth in the area. And the Programme has contributed to the strong regional increase in intra- and extra-regional trade, driven by external factors (high international demand, etc.), by helping improve regulations and integration of the markets, transport and communication systems and management of natural resource.

p. 6

Three of the four RIOs covered by the evaluation (COMESA, EAC and IOC), stress the importance of regional integration as the principle lever for an increased rate of economic growth and for a reduction in poverty, and in that objective they have been strongly supported by the EC. ESA countries have recorded **significant progress** with regards to **trade liberalisation and integration**. The EAC CU commenced operations in 2005 while the COMESA FTA (Free Trade Area) now includes 12 countries and accounts for more than 80% of COMESA GDP and 85% of intra-community trade. Between 2000 and 2006 intra-COMESA trade grew at an annual average rate of 10.8% while total exports grew at an annual average rate of 17.6%, and COMESA trade in total world trade increased both as regards exports (from 3.7% to 5.8%) and imports (from 7.9% to 9.7%).

p. 50 (*no direct relation to COMESA interventions stated*)

Export volumes and values have increased for most countries and for the sub-region as a whole. While ESA-IO exports to the rest of the world increased faster than intra-regional exports in the period 2001-2006 (+18% versus +13.3%), in the case of food and manufactures intra-regional exports have risen significantly faster than extra-regional exports. Neither intra-regional nor world trade could have grown at such a pace without the significant improvements registered in the areas of trade regulation and T&C regulation and infrastructure. This is especially true for the growth of intra-regional trade which heavily relies on the intra-regional networks and on their effectiveness and efficiency.

Productions related to natural resources (such as fish, various food products and agricultural raw materials) have provided an important contribution to the increase in merchandise export.

FDI has grown at a very high rate and not less than 50% of it has occurred in non oil countries. Tourism has also grown at rates higher than those of the rest of the world and of SSA.

All such improvements have been driven by positive international circumstances (overcoming of the international crisis of the mid nineties, booming of the Chinese and Indian economies, etc.). They have

benefited, however, of the improvement - though still unsatisfactory - supported by the EC programme in the fields of trade liberalisation and regional integration, strengthening of the regional transport and communication networks, and improvement of the natural resource management at regional level especially related to marine coasts and lake Victoria.

p. 51

Intra-regional exports have registered an important growth rate (+13.3%) as have extra-regional exports (+18%); the difference in growth rates can primarily be attributed to the rapid growth in world demand for raw materials, minerals and fuels. In fact, in the case of food and manufactures, intra-regional exports have risen significantly faster than extra-regional exports (food: intra +12.2%, extra + 9.2%; manufactures: intra +23.4%, extra +16.2%). The significant rise in intraregional exports is confirmed by data on merchandise exports within blocs that indicate for the period 1996-2006: +140% for COMESA, +60% for EAC and +25% for IOC.

Finally, UNCTAD data confirms that the share of COMESA export in the world market has increased since the late nineties.

2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors

2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).

Summary:

- Under RISP 2 will support numerous actions of COMESA contributing to an enabling environment

Regional Integration Support Programme (RISP) - FED/2004/016-976

CA - Annex 1

p. 19

The Competition Rules and Regulations were adopted at the December 2004 COMESA Council of Ministers meeting. The COMESA Secretariat is working on the establishment of a Regional Competition Commission and will assist member States to incorporate the Rules and Regulations into the national legislation of each country.

Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716

Action Fiche – Annex 1

p. 12

In the area of trade development and trade facilitation instruments, the programme will support work already initiated by COMESA and EAC individually and where applicable through the Tripartite process to accelerate their rationalisation and harmonisation efforts. This includes work on the formulation and dissemination of simplified customs procedures and documentation; identification, removal and monitoring of non-tariff barriers; coordination of competition policies and institutional framework; Safeguard Measures and dispute settlement mechanism; facilitate implementation and monitoring of relevant regional policy; legal, institutional, governance framework; as well as SPS and TBT measures. The programme will also support the implementation of a framework and roadmap for harmonisation of investment policies and regulations and laws; instruments to promote investments and to facilitate the establishment of business as elaborated in the COMESA Common Investment Area (CCIA). The programme will also introduce work on Intellectual Property Rights in the region and design regional frameworks as a reference for Member/Partner States.

2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

Summary:

- RSE indicates that over the implementation period of ESA-IO programme trade indicators developed positively for several sectors.

RSE

p. 49 (related to ESA-IO programme)

Overall, significant achievements have been registered in the considered period, in terms of increased trade in goods and services, NR related competitive economic activities, investment and inter-regional movement of people:

- trade values have increased both intra- and extra-regionally;
- flows of both inward and outward FDI's have increased;
- demand for - and access to - all modes of transport services has increased, although important operational barriers persist;
- there has been an overall improvement in access to - and use of telecommunication networks, but the digital divide with the rest of the world remains very high;
- lake Victoria fishery production and exports have increased at a significant pace, in an improved framework of environmental management, thereby contributing to the economy and livelihoods of the area with a medium-term perspective;
- marine fishery exports have also increased, mainly through an increase in the competitiveness of artisanal fisheries, which has benefited of the various coastal and related resource management initiatives and agreements;
- tourist flows have increased at a pace higher than the African average, showing an increased attractiveness of the area.

Among these positive achievements, it should be noted that trade, the main indicator of regional integration, has grown faster than GDP, and has acted as a main driver of economic growth in the region. Exports have grown at 7.2% per annum between 1996 and 2006, and GDP has grown 6.5%.

2.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

Summary:
<ul style="list-style-type: none">Socio-economic aspects are mentioned in Action Fiche of RISP 2
Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716
Action Fiche
p. 4
Gender equality is considered a crosscutting issue in each of the organisations; interventions throughout the programme's objectives will ensure that gender concerns are taken into consideration. Private sector organisations such as FEMCOM specifically address the role of gender in regional integration and trade. Feasibility studies in preparation for infrastructure projects will among other cover environmental sustainability (Environmental impact studies). Governance of the regional organisations is a key objective of the programme whilst the regional organisations individually and collectively address issues of peace and security and thus contribute directly and indirectly to the achievement of one of the most basic human right of their populations.

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

Summary:
<ul style="list-style-type: none">"Gender mainstreaming activities (i.e cross border commerce) in line with the COMESA Gender Strategic Action Plan will be undertaken under the RISP."
Regional Integration Support Programme (RISP) - FED/2004/016-976
CA - Annex 1
p. 18
COMESA also recognizes the important role that women play in overall development and regional integration agenda. Gender mainstreaming activities (i.e cross border commerce) in line with the COMESA Gender Strategic Action Plan will be undertaken under the RISP.

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

2.9.3 JC 9.3 - TRA supported enforcement of ILO standards

2.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

2.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

2.10 Further important findings/text extractions, not attributable to one specific indicator

Summary:

- Contribution agreement increased COMESA's ownership of EC regional strategy
- Problems in project design related to ESA-IO or RIO dimension

RSE

p. iii

COMESA's ownership of the EC regional strategy has progressively increased thank to the use of the contribution agreements, which have proven to be an appropriate financing instrument.

p. 18

Although the RSP emphasises the support to RIOs thus contributing to the strengthening of sub-regional groupings (considered by the AU as building blocks of the continental market) the actual institutional set-up of the programme and the design of certain programmes (e.g. in CPRM, or the RISM) tend to emphasise an ESA-IO dimension, rather than the specific dimensions of each RIO. In addition, there is no mention of the AU/NEPAD goal of a continental market. This concern has been reinforced by a number of facts:

[...]

- the RISP, which has remained so far centralised at the COMESA level, and has suffered from major delays in its extension to other RECs;
- the RISM, which will be run by COMESA in a direct relationship with the single national governments, in a framework that does not seem either realistic (COMESA CU) or acceptable (e.g. by EAC);

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>	<i>TAP</i>	<i>Evaluations</i>	<i>ROM</i>
Regional Integration Support Programme 2 (RISP2) - FED/2009/021-716	Identification Fiche, AF, AF – Annex 1 Description of activities		
Regional Integration Support Programme (RISP) - FED/2004/016-976	Contribution Agreement (CA)		
REGIONAL INTEGRATION SUPPORT MECHANISM (RISM) - FED/2007/020-778	Financial Proposal, FP Annex 1, LogFrame,	Internal Audit Report	

3.1.2 EC documentation on trade-related assistance in the country

Evaluation of the Commission's support to the Region of Eastern and Southern Africa and the Indian Ocean Regional Level Evaluation - FINAL REPORT – December 2008 (RSE)

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Country Fiche

CÔTE D'IVOIRE

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1 Introduction

1.1 Country Overview

	2004	2005	2006	2007	2008	2009	2010
Exports Volume Index	119.3	115.7	114.8	104.2	98.0	113.3	89.3
Imports Volume Index	166.4	180.9	164.2	174.0	163.1	167.1	151.1
GDP per Capita in current US \$	873	908	948	1,062	1,233	1,191	1,154
Exports in % of GDP	49	51	53	48	47	42	41
Imports in % of GDP	39	44	42	42	39	34	36
FDI net inflows in current US \$	282,979,933	311,921,178	318,864,759	426,777,010	446,147,781	380,872,960	417,933,000

Export volume indexes are derived from UNCTAD's volume index series and are the ratio of the export value indexes to the corresponding unit value indexes. Unit value indexes are based on data reported by countries that demonstrate consistency under UNCTAD quality controls, supplemented by UNCTAD's estimates using the previous year's trade values at the Standard International Trade Classification three-digit level as weights. To improve data coverage, especially for the latest periods, UNCTAD constructs a set of average prices indexes at the three-digit product classification of the Standard International Trade Classification revision 3 using UNCTAD's Commodity Price Statistics, international and national sources, and UNCTAD secretariat estimates and calculates unit value indexes at the country level using the current year's trade values as weights. (2000 = 100)

Rankings of the Global Competitiveness Report of the World Economic Forum (WEF)							
Côte d'Ivoire	2004	2005	2006	2007	2008	2009	2010
Rank	/	/	/	/	110	116	129
total number of countries	104	117	125	131	134	133	139

WTO

membership: Yes, since 1.1.1995

Status

Economic Partnership Agreement (EPA):

Interim EPA was signed by the government of Côte d'Ivoire

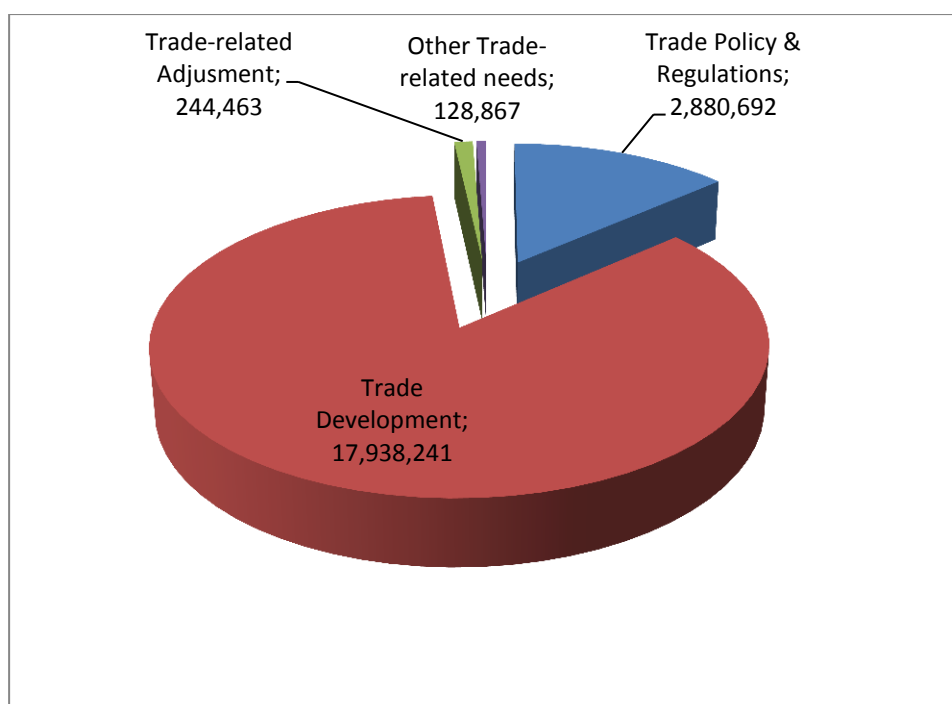
1.2 Commission's TRA to Côte d'Ivoire between 2004 and 2010

1.2.1 Contribution per sector, modality and channel

1.2.1.1 Breakdown per Category

Year	Trade Policy & Regulations	Trade Development	Trade-related Adjustment	Other Trade-related needs	Grand Total
2004	493.324				493323,93
2005	225.622				225621,64
2006	79.688	215.568			295256,22
2007	571.392	1.132.323		128.867	1832581,82
2008	340.890	2.253.610	244.463		2838963,04
2009	670.804	2.768.975			3439779,45
2010	498.972	11.567.765	0		12066736,98
Grand Total	2.880.692	17.938.241	244.463	128.867	21.192.263

Total volume of contracted amount 2004-2010 per category



1.2.1.2 Breakdown per Modality

Row Labels	Project	Support to Sector Programmes	Grand Total
2004		493.324	493323,93
2005	111.126	114.495	225621,64
2006		295.256	295256,22
2007	1.684.784	147.798	1832581,82
2008	585.353	2.253.610	2838963,04
2009	670.804	2.768.975	3439779,45
2010	4.571.365	7.495.372	12066736,98
Grand Total	7.623.433	13.568.830	21.192.263

1.2.1.3 Disbursement Rate

Year	Amount contracted in €	Amount paid in €
2004	493.324	493.324
2005	225.622	225.622
2006	295.256	295.256
2007	1.832.582	1.469.924
2008	2.838.963	1.146.609
2009	3.439.779	2.508.906
2010	12.066.737	3.082.412
Grand Total	21.192.263	9.222.053

Disbursement per Category

Row Labels	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	2.880.692	1.714.243
Trade Development	17.938.241	7.378.943
Trade-related Adjustment	244.463	0
Other Trade-related needs	128.867	128.867
Grand Total	21.192.263	9.222.053

Disbursement per Modality

Row Labels	Amount contracted in €	Amount paid in €
Project	7.623.433	3730407,31
Support to Sector Programmes	13.568.830	5491645,39
Grand Total	21.192.263	9.222.053

Disbursement per channel

Row Labels	Amount contracted in €	Amount paid in €
Development Agency	10.874.000	3.009.005
Private Company	7.152.931	4.288.141
Government	2.122.641	1.040.979
NGO/Association/Chamber/Foundation	1.042.691	883.928
Grand Total	21.192.263	9.222.053

1.2.2 Important TRA interventions in Côte d'Ivoire

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Committed amount for the intervention</i>
Cadre Spécial d'Assistance en faveur des fournisseurs traditionnels de bananes- Côte d'ivoire-2007	BAN/2007/019-202	3.308.865
Mesures d'accompagnement 2007 en faveur des pays signataires du protocole sucre - Côte d'ivoire	DCI-SUCRE/2007/019-208	1.652.635
APPUI REGIONAL A L'INTEGRATION (PARI) - UEMOA PHASE 2	FED/1999/014-678	607.819
Programme d'Appui au Commerce et à l'Intégration Régionale (PACIR)	FED/2009/021-309	11.122.979

Source: CRIS database, Particip GmbH analysis

1.3 Description of main EC intervention

1.3.1 Intervention no 1 (D-014 678)

Title: PROGRAMME D'APPUI REGIONAL A L'INTEGRATION (PARI) UEMOA- PHASE II.

Budget: € 65000000

Start and end date: 24/04/00 to 29/10/03

Objectives and expected results:

Overall objective:

Le P AR1 constitue un element majeur du Programme Indicatif Regional (PIR) de l'Afrique Occidentale du 8eme FED, qui vise a contribuer au renforcement du processus d'integration regionale des pays de la region et a leur insertion dans l'economie mondiale, par la consolidation de l'espace economique regional. Dans ce cadre, l'objectif global du programme est de contribuer au renforcement du processus d'integration de l'UEMOA, en coherence avec l'objectif general du PIR du 8eme FED.

Specific objective:

L'objectif specifique est d'appuyer les Etats membres et la Commission de l'UEMOA dans la realisation des objectifs du Traite, notamment dans la consolidation du cadre macro-economique, dans la realisation du marche regional et dans l'amelioration du cadre legal et administratif.

Cet objectif spécifique sera réalisé à travers quatre axes d'intervention:

- 1) Renforcement des capacités de gestion des administrations nationales dans l'application effective des reformes ;
 - 2) appui a la Commission de l'UEMOA et aux autres institutions communautaires dans la poursuite des reformes ;
 - 3) appui a la dimension régionale des programmes d'ajustement structure en vue d'aider les pays à absorber les couts transitoires de l'union douanière et 4) appui au repositionnement du secteur prive face au marche régional. La présente Proposition de Financement couvre les axes d'intervention 1), 2) et 3).
- L'axe d'intervention 4) fera l'objet d'une Proposition de Financement séparée.

Expected results:

Le programme doit permettre d'atteindre les resultats principaux suivants :

- A) Integration de l'ordre juridique Communautaire de l'UEMOA dans l'ordre juridique des Etats membres et dans les pratiques administratives.
- B) Application, gestion et contrôle efficaces des reformes regionales par les administrations et institutions nationales concernees.
- C) Renforcement du mecanisme de coordination et de surveillance multilaterale des economies nationales en vue de la consolidation du cadre macro-economique global.
- D) Harmonisation de la fiscalite interieure conformement au programme communautaire.
- E) Mise en place effective de l'union douaniere.
- F) Amelioration de la situation budgetaire globale.

Activities:

Les actions specifiques ont ete identifiees par la Commission de l'UEMOA et les Etats membres dans le cadre du processus de decision de l'UEMOA. Pour ce qui conceme l'appui aux Etats mernbres, les actions doivent figurer dans des lettres d'engagement, designees par «Lettres du P ARI ».

Ces lettres seront elaborees par chaque Etat membre et structurees de la facon suivante.

Partie I. Engagements: Presentation d'un plan assorti d'un calendrier precis pour la realisation de l'union douaniere, l'harmonisation de la fiscalite interieure et le respect des criteres de convergence macro-economique, conformement aux decisions communautaires.

Partie II. Besoins d'appui :Identification des besoins d'appui pour l'application des reformes.

Partie III. Actions: Definition des actions necessaires pour la realisation des objectifs fixes dans le programme, en fonction des besoins identifies.

Pour ce qui conceme l'appui a la Commission de l'UEMOA et aux autres institutions communautaires, les actions doivent egalement etre identifiees dans le cadre d'une lettre du p ARI contenant :

Partie I. Engagements et role de l'institution concernee : etablis en fonction des orientations des organes de decision de l'UEMOA et des objectifs du Traite,

Partie II. Programme de travail: necessaires pour atteindre les objectifs fixes par l'Union et

Partie III. Actions: definition des actions decoulant du programme de travail et assortie d'un calendrier de mise en oeuvre.

1.3.2 Intervention no 2 (D-019 208)

Title: Mesures d'accompagnement 2007 en faveur des pays signataires du protocole sucre- Côte d'Ivoire

Budget: Euros 2.020.000

Start and end date: 21 fevrier 2008 - 30 aout 2010

Objectives and expected results:

Overall objective:

L'objectif global de l'appui communautaire au secteur sucrier ivoirien est de promouvoir la viabilite du secteur sucrier ivoirien, sa bonne gestion environnementale et sociale et assurer sa contribution au developpement socio economique de la Cote d'Ivoire.

Specific objective:

Les objectifs spécifiques de cet appui visent a:

- Contribuer à l'amélioration de la productivité de l'industrie sucrière et à sa bonne gestion environnementale ;
- Appuyer les plantations villageoises et les habitants des complexes sucriers ;
- Améliorer le cadre macroéconomique et renforcer le dispositif institutionnel.

Expected results:

Resultat 1 : Renouvellement du matériel végétal pour des variétés plus performantes, augmentation des rendements et de la productivité au champ et en usine

Resultat 2 : Canne villageoise pérennisée

Resultat 3 : Accès des sociétés sucrières à des financements extérieurs pour les investissements de renouvellement au niveau des usines réalisées

Resultat 4 : Meilleure connaissance des enjeux environnementaux du secteur

Resultat 5 : Responsabilités des complexes sucriers relatifs aux populations vivant sur les complexes transférées aux collectivités locales et services à ces populations améliorés

Resultat 6 : Meilleure connaissance et meilleur suivi de la filière, de ses enjeux, et de son évolution au niveau national et international

Resultat 7 : Secrétariat exécutif du Comité sucre fonctionnel

Activities:

Activité 1: mise en œuvre d'un programme de recherche agronomique pluriannuel orienté sur le matériel végétal et les itinéraires techniques aussi bien en irrigué qu'en pluvial.

Activité 2: Appui à l'élaboration de dossiers bancables pour la modernisation et/ou le renouvellement des installations et équipements des usines

Activité 3: Évaluation de l'impact environnemental des complexes sucriers

Activité 4: Élaboration d'un programme d'appui au développement de la canne villageoise

Activité 5: Diagnostic et recommandations sur les coûts sociaux, le statut et la gestion des différents groupes de population résidents sur les complexes

Activité 6 : Faisabilité d'un observatoire de la filière et actions pilotes

Activité 7 : Renforcement institutionnel

1.3.3 Intervention no 3 (D-019 202)

Title: Cadre Spécial d'Assistance en faveur des fournisseurs ACP traditionnels de Bananes-2007

Budget: 4.310 Mo EUR

Start and end date: 14 février 2008 - 31 décembre 2013

Objectives and expected results:**Overall objective:**

L'objectif global du programme banane financé sur les CSA au secteur banane en Côte d'Ivoire (1999-2008) est d'améliorer la compétitivité des bananes ivoiriennes sur le marché international de la banane, de maintenir un tissu de plantation diversifié et de réduire la pauvreté en milieu rural.

Specific objective:

Les objectifs spécifiques du CSA 2007 sont :

- D'appuyer les plantations dans le renforcement de leurs outils de production.
- D'aider à la reconversion de quelques plantations qui ne peuvent plus faire face à la concurrence du marché d'exportation.
- De renforcer les capacités de gestion du MINAGRI, chargé de la mise en place du programme ATF banane et du suivi du secteur.

Expected results:

- Une plus grande efficacité des techniques culturales en plantation, entraînant une augmentation de la production et de la productivité.
- Une reconversion durable des planteurs ayant des difficultés à faire face à la concurrence du marché d'exportation.
- Une plus grande efficacité du Ministère de l'Agriculture (MINAGRI) dans la mise en place des activités et du suivi du programme.

Activities:

- Appui à l'amélioration de l'appareil de production
- Appui à la reconversion des plantations
- Appui au MINAGRI

1.3.4 Intervention no 4 (D-021 309)

Title: Programme d'Appui au Commerce et à l'Intégration Régionale – PACIR

Budget: 16.000.000 euros

Start and end date: 24 février 2010 – 24 février 2014

Objectives and expected results:**Overall objective:**

L'objectif global du PACIR est de contribuer au renforcement de la compétitivité de l'économie ivoirienne et de faciliter son insertion dans l'économie régionale et mondiale.

Specific objective:

L'objectif spécifique est de soutenir le processus d'intégration de la Côte d'Ivoire et son insertion dans le commerce régional et mondial en adoptant des mesures structurantes dans des domaines clés bien identifiés.

Expected results:

Pour atteindre cet objectif, le PACIR se décline en quatre volets/résultats escomptés suivants :

- R1 : Amélioration du cadre des affaires
- R2 : Renforcement de la compétitivité des entreprises exportatrices
- R3 : Facilitation des échanges
- R4 : Amélioration des infrastructures économiques

Activities:**Component 1:** Amélioration du cadre des affaires

Pour ce faire, quatre composantes d'activités seront menées exclusivement par le CCI : (i) la mise en conformité des textes nationaux avec la réglementation communautaire, (ii) l'amélioration de l'information sur les règles et les bonnes pratiques en matière de commerce international, (iii) le renforcement du partenariat public privé ainsi que les capacités des secteurs public et privé à appliquer et à respecter les règles et les bonnes pratiques du commerce international et (iv) l'intégration de la dimension des affaires dans les négociations internationales.

Component 2: Renforcement de la compétitivité des entreprises exportatrices

En réponse aux problèmes identifiés par la mission d'évaluation, les objectifs de cette composante sont : (i) développer de nouvelles filières porteuses axées sur la transformation des matières premières, (ii) diversifier la destination vers de nouveaux marchés « Sud-Sud » encore sous-exploités et où les normes sont moins contraignantes (CEDEAO, CEMAC mais aussi l'Afrique du Nord, Afrique du Sud), (iii) Outiller le système « secteur privé/institutions d'appui au commerce/secteur public » pour connaître et exploiter les opportunités du développement du commerce des services restent également méconnues et sous exploitées, (iv) lever les obstacles techniques au commerce, et plus particulièrement s'adapter aux

normes sanitaires et phytosanitaires contraignantes en révisant le système institutionnel du contrôle, en rénovant la législation et en accompagnant des laboratoires à la certification.

Component 3: Facilitation des échanges

Pour ce faire, le résultat 3 « facilitation des échanges » comporte les composantes suivantes : (i) Réduire le délai de dédouanement des marchandises ; (ii) Reconsidérer les prélèvements opérés sur les opérations de commerce extérieur afin de respecter les dispositions prévues dans l'accord de l'OMC (Article VIII du GATT) ; (iii) Améliorer l'efficacité de la sélectivité des contrôles douaniers ; (iv) Appuyer la mise en place d'un guichet unique virtuel pour les opérations du commerce extérieur ; (v) Faciliter les opérations de transit vers les pays de la sous région. La mise en œuvre des actions est essentiellement confiée à des institutions internationales : L'OMD au travers de son bureau régional de renforcement des capacités et le FMI au travers de l'AFRITAC de l'Ouest.

Component 4: Infrastructures économiques

Il s'agira notamment de réhabiliter le marché de gros de Bouaké, plaque tournante des produits vivriers de la sous région (mettant en relation les zones agro écologiques complémentaires, du Nord et du Sud, de l'Est et de l'Ouest. En ce qui concerne le secteur routier : la croissance des échanges internationaux, le développement du marché de gros de Bouaké et son interconnexion avec celui de Kumasi (Ghana) ne peuvent se faire sans des infrastructures de transport efficaces. Enfin, il s'agira de réhabiliter et de redimensionner le Port Autonome de San Pedro, qui possède un potentiel non négligeable en matière d'intégration régionale, en ouvrant la voie vers le Libéria, la Guinée, et le Mali. La stratégie du PACIR en termes d'infrastructure routière et portuaire se limite à financer les études et schémas directeurs. Les travaux seront financés par la composante « Infrastructures Économiques » du PIN 10eme FED.

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

Summary for each indicator:

- The PACIR programme is in line with EC commitments as expressed in the PIN and the PIR. Furthermore it follows the objectives of international agreements with the Government of Cote d'Ivoire, such as the Cotonou Agreement and the provisional EPA (Economic Partnership Agreement). The contribution of Trade to poverty reduction and growth has also been expressed in the PRSP (Poverty Reduction Strategy Paper).

PROGRAMME D'APPUI AU COMMERCE ET À L'INTÉGRATION RÉGIONALE – PACIR (D-021 309)

IF

- Coherence avec les politiques de la CE, le cadre de programmation et le programme d'action a l'appui de l'efficacite de l'aide

Ce programme répond aux engagements de la Commission européenne pris dans le cadre du PIN et du Titre II « Partenariat pour le développement » de l'APE interimaire signé le 20 décembre 2008 entre la Côte d'Ivoire d'une part et la Communauté européenne et ses États membres, d'autre part. Il rejoint l'objectif de l'Accord de Cotonou qui précise en son article 34, alinéa 1, que « La coopération économique et commerciale vise à promouvoir l'intégration progressive et harmonieuse des États ACP dans l'économie mondiale, dans le respect de leurs choix politiques et de leurs priorités de développement, encourageant ainsi leur développement durable et contribuant à l'éradication de la pauvreté dans les pays ACP ». L'alinéa 3 du même article précise que « A cet effet, la coopération économique et commerciale vise à renforcer les capacités de production, d'approvisionnement et commerciales des pays ACP ainsi que leur capacité à attirer les investissements. La coopération vise, en outre, à renforcer les politiques commerciales et d'investissement des pays ACP et à améliorer leur capacité à régler les questions liées au commerce. ». La présente proposition rejoint en outre un principe fondamental du Consensus européen du 20 décembre 2005 en affirmant le lien entre le commerce et le développement. Le projet est prévu dans la programmation « hors secteur de concentration » du Document de Stratégie Pays 10^{ème} FED 2008-2013, sous la rubrique « Appui à l'intégration régionale », telle que décrite au point IV.3.2 du PIN 10^{ème} FED. Axe sur le développement économique par l'ouverture des marchés, il agit en pleine cohérence avec le premier secteur de concentration du DSP, qui vise à consolider les préalables fondamentaux que sont la paix et la bonne gouvernance. La proposition de projet est également complémentaire avec un volet substantiel du deuxième secteur de concentration portant sur la réhabilitation d'infrastructures économiques, essentiel à l'approfondissement du marché régional.

Finalement, le projet s'inscrit en pleine complémentarité avec les secteurs de concentration du PIR 9^{ème} FED et PIR 10^{ème} FED, « Appui à l'intégration économique et commerciale » et « Approfondissement de l'intégration régionale, amélioration de la compétitivité et APE » respectivement

(...)

3 - Coherence avec les politiques et strategies du gouvernement partenaire

La politique économique du gouvernement (memorandums de politiques économiques et financières 2008 et 2009), soutenue par le programme d'assistance d'urgence post-conflit puis la Facilité pour la réduction de la pauvreté et la croissance du FMI, se concentre essentiellement sur l'assainissement du cadre macroéconomique à travers la poursuite du rééquilibrage des finances publiques et l'amélioration du fonctionnement des administrations fiscales mais aussi avec des actions plus structurelles concernant la recapitalisation du secteur bancaire et la réforme des institutions publiques d'épargne, la transparence du secteur de l'énergie et la filière café/cacao. La contribution spécifique du commerce à la réduction de la pauvreté et la croissance est présente de manière transversale dans le DSRP. Les composantes/actions

proposées dans le projet contribuent directement à la réalisation de trois axes du DSRP, à savoir l'axe 1 « bonne gouvernance », l'axe 2 « soutien au monde rural et à la promotion du secteur privé comme moteur de la croissance », et l'axe 6 « contexte international et intégration régionale ». Par ailleurs, les résultats du projet s'inscrivent dans les deux secteurs de concentration du Programme indicatif régional (PIRF). Le lien est étroit entre les résultats du projet et ceux du Programme de l'APE pour le développement (P APED) et notamment le résultat 1 du P APED « les capacités de production sont diversifiées et accrues », le résultat 2 « le commerce intra-régional est développé et l'accès aux marchés internationaux est facilité », le résultat 3 « les infrastructures nationales et régionales liées au commerce sont améliorées et renforcées » et le résultat 4 « les ajustements indispensables sont réalisés et les autres besoins liés au commerce sont pris en compte ».

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

Summary for each indicator:

- In the framework of the PACIR programme, the Customs from Côte d'Ivoire participated to the definition of actions within the expected result n°3. The regional office for capacity building of the World Customs Organisation, as well as the AFRITAC office from IMF and the UNCTAD (United Nations Conference on Trade and Development), are also highly implicated in the programme.
- In the framework of the EC support to Sugar and Banana sectors, all stakeholders have been identified and their respective roles have been clearly defined during the design of the programmes.

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Analyse des parties prenantes

L'amélioration du cadre des affaires (résultat 1) et le renforcement de la compétitivité des entreprises (résultat 2) s'établira principalement par un renforcement des capacités de l'ensemble de ces acteurs. Les parties prenantes identifiées pour l'accomplissement de ces deux résultats sont la Chambre de Commerce et d'Industrie, la Confédération Générale des entreprises de Côte d'Ivoire (CGECI), structure hâtière qui rassemble l'ensemble des associations professionnelles, la bourse de la sous-traitance (BSTP), la Fédération Nationale des Industries et des Services de Côte d'Ivoire (FNISCI), la Fédération ivoirienne des PME (FIPME), l'Association de promotion des exportations (APEXCI), la Cour d'arbitrage de Côte d'Ivoire (CACI), les avocats spécialisés dans le droit des affaires, la Cour commune de justice et d'arbitrage de l'OHADA, les prestataires de services commerciaux et les entreprises exportatrices. Du côté du secteur public, les administrations impliquées dans le projet seront le Ministère du Commerce, le Ministère de l'Intégration Africaine, le Ministère des Finances et ses régions, le Ministère de l'Industrie et du Secteur Privé, le Ministère de la Production Halieutique et des Ressources Animales et le Ministère de l'Agriculture. Tous ces acteurs sont membres du Comité National de Négociation de l'APE. La mise à niveau du secteur privé n'aura un impact positif sur le développement du commerce que si l'administration publique œuvre pour la facilitation des échanges. Celle-ci repose sur une modification du comportement et des modes de fonctionnement des administrations en charge des questions commerciales (Direction des Douanes, Ministère du Commerce). Les actions du résultat 3 ciblent ces administrations.

La conformité des actions proposées dans le projet aux conclusions de l'atelier national sur l'évaluation des besoins et des priorités en matière de facilitation des échanges organisé en décembre 2008 à Abidjan sous l'égide de l'OMC assure l'adhésion au projet et l'engagement des administrations concernées pour sa réalisation. **La participation de la Douane ivoirienne à la définition même des actions du résultat 3 et l'implication du bureau régional de renforcement des capacités de l'Organisation Mondiale des Douanes (OMD), du bureau AFRITAC du FMI et de la CNUCED dans le projet garantissent une mise en œuvre efficace.**

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Ce qui est fait. À ce stade, tous les axes et composantes du programme sont identifiés et font l'objet d'un

consensus avec les interlocuteurs ivoiriens. Les contacts et les modalités de mise en œuvre sont bien avancés avec l'ONUDI, le FMI (AFRITAC), l'OMD et la CNUCED. L'ONUDI a mobilisé en janvier 2009 une équipe du Siège chargée d'identifier et de budgétiser ses interventions. Les activités liées à la facilitation des échanges ont également été identifiées. À la suite d'échanges informels sur les activités à cibler, il a été convenu que des requêtes seront émises officiellement en mars 2009 par le bénéficiaire (Direction générale des douanes) auprès du FMI (AFRITAC), de la CNUCED et de l'OMD pour la mise en œuvre de la composante "facilitation des échanges". En conséquence, les activités et les modalités de mise en œuvre du résultat 4 (Infrastructures économiques) sont entièrement identifiées et budgétisées. Les activités et les modalités de mise en œuvre du résultat 3 (Facilite des échanges) sont entièrement identifiées et budgétisées, et convenues avec l'OMD, la CNUCED et AFRITAC. Les activités des résultats 1 et 2 (Cadre des affaires et Renforcement de la compétitivité) à mettre en œuvre par l'ONUDI et l'OMD sont entièrement identifiées et budgétisées.

MESURES D'ACCOMPAGNEMENT 2007 EN FAVEUR DES PAYS SIGNATAIRES DU PROTOCOLE SUCRE- CÔTE D'IVOIRE (D-019 208)

IF

Parties prenantes

L'ensemble des acteurs du secteur sucrier sont parties prenantes des interventions prévues sur l'AFT 2007. Il s'agit :

- des industriels producteurs de sucre : deux sociétés, SUCAF et SUCRIVOIRE, gérant chacune 2 complexes sucriers. Les industriels sont regroupés dans l'Association des Industries Sucrières de Côte d'Ivoire (AIS-CI) ;
- des planteurs indépendants de canne : entre 1.500 à 2.000 planteurs;
- des travailleurs directs et indirects des complexes et leurs familles vivant sur les sites des complexes sucriers : les complexes sucriers créent 1.600 emplois permanents et 8.200 emplois saisonniers. La population vivant sur les quatre complexes sucriers est estimée à 55. 000 personnes ;
- des commerçants (grossistes et détaillants) et des consommateurs (industries de seconde transformation et ménages);
- de l'administration ivoirienne : ministères de l'agriculture (MINAGRI qui assure la mise en œuvre du programme), de l'industrie, du commerce et de l'économie, du plan et du développement ;
- des collectivités territoriales : les mairies et conseils généraux des régions où sont situés les complexes sucriers ;
- des agences et services spécialisés (centres de recherche, services douaniers) ;
- du comité de coordination et de suivi de la politique sucrière (CCSPS) regroupant les parties prenantes du secteur. Il est animé par un secrétariat exécutif qui dépendra du MINAGRI.

CADRE SPECIAL D 'ASSISTANCE EN FAVEUR DES FOURNISSEURS ACP TRADITIONNELS DE BANANES-2007 (D-019 202)

FA

Parties prenantes

- Le Gouvernement ivoirien participe au Programme par le biais du MINAGRI, du Ministère de Commerce et de la Cellule de Coordination de la Coopération CI/UE.
- Le MINAGRI est chargé de l'élaboration et de la mise en œuvre de stratégies visant à améliorer substantiellement les recettes d'exportation, et à réduire la pauvreté en milieu rural. Il est le maître d'œuvre du Programme. Le MINAGRI est membre du Comité de Pilotage.
- Le Ministère du Commerce apporte son appui et son expertise au programme en qualité de membre du Comité de Pilotage. Il intervient également au niveau des questions commerciales liées à la banane.
- L'Ordonnateur National Suppléant (ONS) du FED assure la présidence du Comité de Pilotage du projet. Dans le cadre de la gestion décentralisée ex-ante de la ligne banane, l'ONS assure le rôle d'Autorité contractante sur l'ensemble des contrats spécifiques.
- L'APEX-CI (Association Professionnelle des Exportateurs de Côte d'Ivoire) est membre du Comité de Pilotage.
- L'OCAB est la seule association en Côte d'Ivoire à laquelle l'Etat a reconnu le statut d'organisation représentative de l'ensemble des exportateurs d'ananas et de bananes. Elle est membre du Comité de

Pilotage du projet et relaie la strategie definie en direction des beneficiaires finaux, les plantations.

- Les societes de plantations : elles sont constituees en societe de droit prive. Certaines d'entre elles sont des filiales ou succursales de multinationales dont elles beneficent du soutien financier. D'autres ne sont adossees a aucune structure exterieure et ne sont pas soutenues par des capitaux exterieurs privs.
- Les ouvriers de plantations : Dix mille personnes salaries intervenant clans la production (vingt cinq mille personnes avec la filiere ananas) dont la plupart des familles vivent clans les campements sur plantation.

2.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

Summary for each indicator:

- The PACIR programme is in line with the provisional EPA (Economic Partnership Agreement) concluded between the EC and the Cote d'Ivoire (i.e. articles 5, 6, 7).

PROGRAMME D'APPUI AU COMMERCE ET À L'INTÉGRATION RÉGIONALE – PACIR (D-021 309)

IF

Analyse de la strategie, enseignements tires et lien avec des actions complementaires

Le projet s'inscrit dans le cadre de la mise en ceuvre de l'Accord de partenariat economique interimaire. Son objectif global est de contribuer au renforcement de la competitivite de l'economie ivoirienne et de faciliter son insertion dans l'economie regionale et mondiale. Pour la realisation de cet objectif, il vise quatre resultats repondant a une part significative des principaux problemes analyses ci-dessus.

Le premier resultat, ameliorer le cadre des affaires, s'inscrit dans le cadre des articles 5 et 6 de l'APEi CE/CI (respectivement «cadre des affaires »et« appui a la mise en reuvre des regles ».En l'absence de veritable engagement politique, il s'agira (i) dans un premier temps, de creer les conditions pour que la societe civile, et notamment les operateurs economiques, developpent un veritable role de contre pouvoir et d'interlocuteur constructif aupres de l'administration. Des campagnes mediatiques de sensibilisation a grande echelle sur les droits elementaires de la libre circulation des personnes et de l'union douaniere seront menees a l'echelle nationale par la Chambre de Commerce et d'Industrie de Cote d'Ivoire, deja active dans ce domaine. Il s'agira ensuite (ii) de renforcer les capacites des institutions d'appui au commerce, mais aussi des administrations pour qu'elles puissent appliquer et defendre les regles liees au commerce (y compris le droit des affaires), et connaitre les meilleurs pratiques du commerce, (iii) de mieux structurer le cadre de concertation public/privé (article 30 de l'APEi CE/CI « la relation avec la communaute d'affaires») et s'etablira sur des performances de resultats annuels.

Le second resultat repond a une attente forte de la Region et de la Cote d'Ivoire portant sur la «mise a niveau » du secteur productif. Il s'inscrit dans le cadre de l' article 7 de l'APEi CI/CE « Renforcement et mise a niveau des secteurs productifs ». Il vise a developper de nouvelles filieres porteuses axees sur la transformation des matieres premieres, et a diversifier la destination des exportations vers les nouveaux marches « Sud-Sud » encore sous exploites et ou les normes sont moins contraignantes. Les appuis porteront sur la mise a disposition d'outils d'analyse et d'exploration de nouveaux marches d'exportation, l'amelioration de l'acces au credit, le developpement du commerce de services, et le developpement de l'arbitrage en cas de conflits commerciaux. La methodologie utilisee sera celle de l'ITC. En complementarite avec le programme regional «Mise a niveau », une activite de cette composante vise plus specifiquement la diversification des exportations. La methodologie utilisee sera celle de l'ONUDI, qui a obtenu des resultats satisfaisants au Senegal et au Maroc. En complementarite avec le programme regional « Qualite » mis en reuvre par l'ONUDI, un appui substantiel sera offert pour surmonter les obstacles techniques au commerce. Le troisieme resultat conceme la facilitation des echanges, et s'inscrit dans le cadre du chapitre 3 « facilitation du commerce » de l'APEi CE/CI. Il comprend des composantes conformes aux conclusions de l'atelier national sur l'auto-evaluation des besoins et des priorites en matiere de facilitation des echanges organise en decembre 2008, conjointement par le Ministere du Commerce, et la Direction generale des douanes en collaboration avec le Secretariat de l'OMC, en vue des negociations a l'OMC sur la facilitation des echanges. Les principales activites retenues permettent de lever d'importants obstacles au commerce et s'adressent en priorite a la Direction generale des Douanes et aux differents intervenants dans les operations d'importation et d'exportation. Elles visent a terme a

reduire significativement les couts et les delais pour les operations de commerce exterieur. Le quatrieme resultat est d'ameliorer l'ecoulement des productions locales sur les marches interieurs et les marches regionaux en renfor9ant les infrastructures economiques. Il s' agira notamment de reactiver le marche de gros de Bouake, plaque tournante des produits vivriers de la sous region. En ce qui concerne le secteur routier : la croissance des echanges intemationaux, le developpement du marche de gros de Bouake et son interconnexion avec celui de Kumasi (Ghana) ne peuvent se faire sans des infrastructures de transport efficaces. Enfin au niveau portuaire, il s'agira de contribuer a redimensionner le Port Autonome de San Pedro, qui possede un potentiel important en matiere d'integration regionale. La strategie du P ACIR en termes d'infrastructures de transport se limite a financer des etudes et schemas directeurs. Les travaux pourront ensuite etre finances par la composante « Infrastructures Economiques » du PIN 1 Oeme FED (80 millions d'euros).

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

2.1.2.2 I 2.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

2.1.3.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”

2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

2.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

2.3 EQ 3 - To what extent has the Commission's TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

2.3.1.1 I 3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Summary for each indicator:

- According an EAMR from 2009, there is an intense collaboration with other donors in the area of Post-Conflict. However, since most donors have interrupted their development cooperation during the crisis, there is only ad-hoc coordination with them.
- According the EAMRs from 2010, there is good collaboration with local Ministries in the framework of the EC support to the Sugar and the Banana sectors. In the framework of the PACIR programme, there is good sectoral coordination for Trade-related support. There is also a good dialogue with the involved Ministries and the private sector. There is also a very good collaboration with the national Ministries in charge of negotiating the EPA.
- According to Paris declaration, the identification of activities within the expected result n°3 of the PACIR programme, has been coordinated with the World Customs Organisation, as well as the IMF, the UNCTAD and the UNIDO.

EAMR

EAMR - fev09

2. Relations avec les autorités nationales/régionales et les acteurs non-gouvernementaux ; coordination avec les autres bailleurs, notamment les Etats membres.

- Participation à l'Organe Consultatif International (OCI) participant au "Comité d'Evaluation et d'Accompagnement" de l'Accord Politique de Ouagadougou, présidé par Blaise Compaoré, facilitateur du "dialogue direct" et Président du Burkina Faso.

- Coordination politique (échange d'informations) avec les Etats membres sur place sur base de réunions bimensuelles avec les Ambassadeurs et Chefs de mission ; très bon esprit de coopération intra-UE mais réticences non-dites de la France à favoriser des positions et initiatives européennes dans le domaine politique;

- Intense collaboration avec les bailleurs multilatéraux, Banque mondiale, FMI, BAD et PNUD, dans les domaines relatifs à la sortie de crise: (identification des populations, élections, désarmement, démobilisation et réinsertion (DDR) etc.;

- Du fait de la suspension de leur coopération par la plupart des partenaires, la coordination avec les autres donateurs se fait sur une base ad-hoc, notamment avec les sections coopération des (3) Etats

membres présents avec une telle section. Seul un Etat membre (Allemagne) continue à mettre en œuvre des programmes substantiels (sans nouveaux engagements cependant);
EAMR - juil10
<p>- Collaboration rapprochée avec le Ministère de l'Agriculture, de l'Industrie, de l'Economie et des Finances ainsi que du Plan pour la révision de la stratégie du secteur Sucre pour les années 2011-2013.</p> <p>- Collaboration étroite avec le Ministère de l'Agriculture et les organisations professionnelles de la filière Bananes pour l'élaboration de la stratégie du secteur pour les années 2010-2018.</p> <p>(...) Commerce</p> <p>- Très bonne collaboration avec les Ministères en charges de la négociation de l'Accord de Partenariat Economique (Agriculture, Pêche, Finances, Industrie, Intégration africaine);</p> <p>(...) Coordination sectorielle pour les appuis au commerce : excellente collaboration et mobilisation avec ITC, qui a financé sur fonds propres 2 missions d'identification pour la formulation des appuis dans le cadre du PACIR. Très bon dialogue également avec les Ministères impliqués ainsi qu'avec le secteur privé. Bon respect des exigences de visibilité de l'UE.</p>
EAMR - jan10
<p>Commerce</p> <p>- Très bonne collaboration avec les Ministères en charges de la négociation de l'Accord de Partenariat Economique (Agriculture, Pêche, Finances, Industrie, Intégration africaine);</p>
PROGRAMME D'APPUI AU COMMERCE ET À L'INTÉGRATION RÉGIONALE – PACIR (D-021 309)
IF
<p>La Banque Mondiale prévoit, dans un programme d'urgence de soutien au secteur privé, de concentrer son intervention sur l'amélioration du cadre des affaires et sur l'accès au crédit des PME. Le projet d'appui à la réforme du secteur de la justice, également proposé dans le cadre du Plan annuel d'action 2009 par la DCE, concourra à l'amélioration de la sécurité juridique des activités commerciales. Par ailleurs, certaines actions sont complémentaires avec des actions inscrites comme conditionnalités structurelles du FRPC par le FMI, notamment celles concernant les prélèvements sur les opérations commerciales et l'amélioration du fonctionnement de l'administration des Douanes.</p>
FA
<p>Coordination des bailleurs de fonds</p> <p>En ligne avec l'indicateur 10 de la Déclaration de Paris (analyses conjointes), l'identification des activités des trois premiers résultats du programme fut coordonnée avec la CNUCED, le FMI, le CCI, l'OMD et l'ONUDI. A l'issue de cette identification conjointe, il a été convenu qu'une partie des activités liées à la facilitation des échanges (résultat 3) sera réalisée « hors Convention de financement PACIR », par le FMI, sur ses ressources propres, en pleine coordination la mise en œuvre du PACIR. La Banque Mondiale prévoit, d'autre part, dans un programme d'urgence de soutien au secteur privé, de concentrer son intervention sur l'amélioration du cadre des affaires, l'accès au crédit des PME et le secteur de la justice, de manière complémentaire à celle du PACIR. Par ailleurs, certaines actions sont complémentaires avec des actions inscrites comme conditionnalités structurelles du FRPC par le FMI, notamment celles concernant les prélèvements sur les opérations commerciales et l'amélioration du fonctionnement de l'administration des Douanes.</p>
MESURES D'ACCOMPAGNEMENT 2007 EN FAVEUR DES PAYS SIGNATAIRES DU PROTOCOLE SUCRE- CÔTE D'IVOIRE (D-019 208)
FA
<p>Coordination des bailleurs de fonds</p> <p>La Commission européenne est le seul bailleur de taille ayant maintenu ses opérations durant les années de crise à partir de 2002, suite à l'arrêt de la coopération des trois autres partenaires traditionnels, la</p>

France, la Banque mondiale et la BAD, dont les interventions étaient centrées sur les infrastructures, les transports, les secteurs sociaux et l'appui au secteur privé. Du fait de la suspension de la coopération, la coordination avec les autres donateurs se fait sur une base ad-hoc, notamment avec les sections coopération des (3) Etats membres présents avec une telle section. Des contacts et échanges réguliers ont lieu avec les Institutions de Bretton Woods dans le cadre du suivi du règlement des arriérés dus par la CI à la BEI et à la Banque mondiale pour préparer la reprise des opérations d'appui budgétaire ainsi que des échanges réguliers pour harmoniser les interventions futures, en particulier pour le volet bonne gouvernance. Depuis juin 2006, la Délégation copréside avec le PNUD un groupe de réflexion stratégique, composé de représentants des ambassades et des partenaires au développement sur place, qui formule des recommandations au Gouvernement sous la forme d'Aide-mémoires.

- 2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)**
- 2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries**
- 2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners**

2.4 EQ 4 - To what extent has the Commission's support contributed to an improved trade policy environment at national level?

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

2.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

2.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

Summary for each indicator:

- One activity of the EC support to Sugar sector concerns the logistical support to the executive Secretary of the Committee gathering professionals and representatives from the administration (called “Comité de Coordination et de Suivi de la Politique Sucrière”- CCSPS).
- The EC support to the Banana sector includes a capacity building component to the Ministry of Agriculture.
- However, there is no evidence so far on the EC effective contribution in that regard.

MESURES D'ACCOMPAGNEMENT 2007 EN FAVEUR DES PAYS SIGNATAIRES DU PROTOCOLE SUCRE- CÔTE D'IVOIRE (D-019 208)

FA

Activite 7 : Renforcement institutionnel

7.1 Appui logistique au secretariat executif du Comite de Coordination et de Suivi de la Politique Sucriere

Cette activite prevoit la creation et l'institutionnalisation d'un Comite paritaire regroupant des professionnels et des representants de l'administration appele Comite de Coordination et de Suivi de la Politique Sucriere (CCSPS) ainsi que la mise en place du secretariat executif du CCSPS qui sera charge d'organiser et d'animer les reunions du Comite. Parmi les taches du CCSPS et du secretariat executif: formalisation et suivi de la mise en ceuvre d'un Cadre d'Obligations Mutuelles entre les societes sucrieres et l'Etat sous forme de conventions d'une duree de 3 a 5 ans qui viendront se substituer aux conventions signees en 1997 au moment des privatisations, animations sur les evolutions du secteur au niveau national, regional et international ; organisation de reunions ad-hoc, facilitation entre les partenaires, representation du secteur aux niveaux national et international.

7.2 Renforcement des capacites

Un appui au renforcement des capacites des ressources humaines intervenant dans la filiere est prevu. Des programmes de formation seront identifies et mis en ceuvre afin de renforcer les capacites des acteurs publics et prives de la filiere. Dans cette perspective une provision est egalement reservee pour permettre des consultations ponctuelles, des voyages d'etudes, la participation a des conferences et seminaires, etc.

CADRE SPECIAL D'ASSISTANCE EN FAVEUR DES FOURNISSEURS ACP TRADITIONNELS DE BANANES-2007 (D-019 202)

FA

Appui au MINAGRI

Cet appui concerne le maître d'œuvre du projet, le MINAGRI, et plus particulièrement sa Direction générale des productions agricoles (DGPDA) et sa Direction des affaires administratives et financières (DAAF) ainsi que la Cellule de Gestion de Projet (CGP). Il comporte deux volets :

- Appui aux investissements (2 véhicules) et au fonctionnement des services du Régisseur et du Comptable du programme bananes.
- Financement de la CGP. L'actuelle CGP est financée jusqu'en août 2008, sur l'ATF 2001. Un nouveau contrat d'assistance technique à la mise en œuvre du programme bananes est donc à prévoir pour deux années supplémentaires (Sept 2008-août 2010)

Capacités institutionnelles et de gestion

L'ON bénéficie du support du Comité de Suivi du Programme (Ministère de l'Agriculture, Ministère du Commerce, Délégation CE, OCAB). Le Comité de Suivi bénéficie de l'assistance de la Cellule de Gestion du Projet (CGP) auprès du MINAGRI. Dans ce système, il est tenu compte par le Comité de Suivi des propositions des opérateurs qui ensuite peuvent être les bénéficiaires directs ou indirects.

Cette procédure contribue à renforcer la pertinence des actions réalisées.

2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

2.4.2.4 I 4.2.4 Changes of 'customer' satisfaction related to the output produced by trade-related public institutions

2.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

2.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations

2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations

2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

2.5 EQ 5 - To what extent has the Commission's TRA to trade facilitation contributed to reducing trade-related transaction costs?

2.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

2.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced

2.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

2.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

2.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)

2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)

2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

2.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

2.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

2.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

2.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

2.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

2.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

Summary for each indicator:

- In the framework of the EC support to the banana sector, of the objectives stated in the FA was to align the banana sector from Cote d'Ivoire to international norms in terms of traceability, cold chain, and certification.
- However, there is no evidence so far on the EC effective contribution in that regard.

MESURES D'ACCOMPAGNEMENT 2007 EN FAVEUR DES PAYS SIGNATAIRES DU PROTOCOLE SUCRE- CÔTE D'IVOIRE (D-019 208)

FA

L'appui communautaire au secteur sucrier ivoirien appuie l'action de la Commission dans le renforcement des filieres agro-industrielles en Cote d'Ivoire. En effet, afin de maintenir l'emploi rural et d'augmenter le revenu paysan, des projets sont programmes sur les fonds Stabex 99 (appui a la filiere coton, infrastructures rurales, appui aux cultures perennes, mise a niveau food and feed). **Sur la ligne budgetaire bananes, l'appui communautaire vise a maintenir les parts de marche de la banane et des autres fruits exportes sur le marche europeen. En plus d'investissements directs de competitivite en plantation, des efforts sont realises pour la mise aux normes du marche (traçabilite, chaine de froid, et certification), sociales et environnementales (amelioration des conditions de vie) des plantations.**

L'appui communautaire au secteur sucrier ivoirien s'integre egalement au deuxieme secteur d'intervention propose pour le 10eme FED, la cohesion sociale et la rehabilitation d'infrastructures sociales et economiques et au secteur non focal « Appui a l'amelioration de la competitivite des filieres agricoles » plus particulierement au travers de la mise en place de mecanismes de gestion et d'attenuation des variations de prix, de renforcement des outils d'aide a la decision, et l'appui a la structuration institutionnelle du secteur agricole

2.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

Summary for each indicator: <ul style="list-style-type: none"> The EC funded programmes in the Sugar and the Banana sectors include support to the modernisation of physical infrastructures. However, there is no evidence so far on the EC effective contribution in that regard. In the framework of the EC support to the banana sector, the success in the reconversion of uncompetitive plantations has been highlighted by the EAMR from January 2010.
ATF Bananes
EAMR - jan10
Les principales réalisations (s'il y a lieu) et les exemples d'impacts atteints: L'implantation des infrastructures de mise à froid permettra non seulement d'obtenir une meilleure qualité des fruits, mais aussi de mieux réguler les programmes de coupe en plantations, ce qui, avec la possibilité de prolongation de "vie verte" des productions, de récolter les bananes à un stade plus avancé. Cette situation devrait se traduire par une augmentation de rendements voisine de 5%. Les activités de reconversion de plantations non compétitives (pisciculture, papayes, hévéa, aviculture), sont réalisées avec succès pour dix anciens planteurs de bananes sur onze du premier volet "Reconversion".
FA
Appui a l'amélioration de l'appareil de production Les études « Compétitivité et état des lieux des plantations » et « catégories 3, 4 et 5 », menées en concertation avec les sociétés de plantations, ont estimé que des investissements productifs sont encore nécessaires pour assurer la compétitivité de la banane ivoirienne. Des visites de plantation de la Cellule de Gestion de Projet sont en cours pour confirmer et affiner les estimations d'études. Les besoins estimés sur l'ensemble des plantations se montent à 8.940.000 euros et dépassent largement l'allocation prévue pour cette activité sur le CSA 2007. L'attribution des fonds se fera par contrat de subvention à chaque plantation faisant suite à un appel à proposition aux plantations de bananes d'exportation de Côte d'Ivoire. Le suivi de cette activité, notamment la bonne mise en œuvre des actions au niveau des plantations, sera assuré par une assistance technique recrutée par contrat de service.
MESURES D'ACCOMPAGNEMENT 2007 EN FAVEUR DES PAYS SIGNATAIRES DU PROTOCOLE SUCRE- CÔTE D'IVOIRE (D-019 208)
FA
Resultat 1 : Renouvellement du matériel végétal pour des variétés plus performantes, augmentation des rendements et de la productivité au champ et en usine Activité 2: Appui à l'élaboration de dossiers bancables pour la modernisation et/ou le renouvellement des installations et équipements des usines Le renouvellement et la modernisation des équipements tant des plantations (matériel de pompage et d'irrigation, matériel agricole et engins transport) que des usines nécessitent des investissements considérables qui ont été accélérés depuis la privatisation en 1997, puis ont été suspendus entre 2002 et 2005 suite à la crise que traversait le pays et ont repris depuis, essentiellement par autofinancement. L'accès à des financements extérieurs et notamment aux guichets des banques de développement, permettrait d'accélérer ces investissements et donc la mise à niveau de la filière sucrière. Dans ce contexte, il est proposé de financer des études spécifiques d'identification et de faisabilité ainsi que le montage de dossiers à présenter aux banques par les sociétés sucrières.

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies

2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies

2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 JC 6.4 - Cost of compliance reduced

2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance

2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

2.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

2.7.1 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

2.7.1.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

Summary for each indicator:

- According to the FA, the second phase of the PARI programme aims at contributing to further deepen the process of regional integration. The first phase of the programme allowed to identify in each country the necessary conditions and commitments to implement at national level, to apply regional reforms.
- The second phase of the PARI programme aims at supporting Member States and West African Economic and Monetary Union (UEMOA) institutions to apply the Treaty, implement the customs union and improve the legal and administrative framework. However, there is no evidence so far on the EC effective contribution in that regard.

PROGRAMME D'APPUI REGIONAL A L'INTEGRATION (PARI) UEMOA- PHASE II (D-014 678)

FA

La premiere phase du PARI-UEMOA a permis l'identification dans chaque pays des conditions et des engagements necessaires pour l'application des reformes regionales. Le present programme constitue la deuxieme phase du PARI-UEMOA qui vise d'appuyer les Etats membres et les institutions de l'UEMOA dans la realisation effective des objectifs du Traite, notamment la consolidation du cadre macro-economique, la mise en oeuvre de l'union douaniere et l'amelioration du cadre legal et administratif.

Objectif global

Le PARI constitue un element majeur du Programme Indicatif Regional (PIR) de l'Afrique Occidentale du 8eme FED, qui vise a contribuer au renforcement du processus d'integration regionale des pays de la region et a leur insertion dans l'economie mondiale, par la consolidation de l'espace economique regional. Dans ce cadre, l'objectif global du programme est de contribuer au renforcement du processus d'integration de l'UEMOA, en coherence avec l'objectif general du PIR du 8eme FED.

Objectif specifique

L'objectif specifique est d'appuyer les Etats membres et la Commission de l'UEMOA dans la realisation des objectifs du Traite, notamment dans la consolidation du cadre macro-economique, dans la realisation du marche regional et dans l'amelioration du cadre legal et administratif.

Axes d'intervention

Cet objectif specifique sera realise a travers quatre axes d'intervention: 1) renforcement des capacites de gestion des administrations nationales dans l'application effective des reformes ; **2) appui a la Commission de l'UEMOA et aux autres institutions communautaires dans la poursuite des reformes** ; 3) appui a la dimension regionale des programmes d'ajustement structurel en vue d'aider les pays a absorber les couts transitoires de l'union douaniere et 4) appui au repositionnement du secteur prive face au marche regional. La presente Proposition de Financement couvre les axes d'intervention 1), 2) et 3). L'axe d'intervention 4) fera l'objet d'une Proposition de Financement separee.

Resultats

Le programme doit permettre d'atteindre les resultats principaux suivants :

A) Integration de l'ordre juridique Communautaire de l'UEMOA dans l'ordre juridique des Etats

membres et dans les pratiques administratives.

B) Application, gestion et contrôle efficaces des réformes régionales par les administrations et institutions nationales concernées.

C) Renforcement du mécanisme de coordination et de surveillance multilatérale des économies nationales en vue de la consolidation du cadre macro-économique global.

D) Harmonisation de la fiscalité intérieure conformément au programme communautaire.

E) Mise en place effective de l'union douanière.

F) Amélioration de la situation budgétaire globale.

2.7.1.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

2.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

- 2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government
- 2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

- 2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements
- 2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns
- 2.8.2.3 I 8.2.5 - Availability of quality investors' information/guides

2.8.3 JC 8.3 Improved access to trade finance

- 2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed
- 2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

2.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

- 2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors
- 2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors
- 2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).
- 2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

2.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

Summary for each indicator:

- The EC support to Sugar sector aims at maintaining rural employment and increase farmers' revenues. It is also planned that dialogue will be engaged with local authorities and the State in their respective roles in living conditions in the sugar estates. Special attention will be given to aspects of gender and equity in order to ensure that particular social services respond to gender-specific issues (including education for girls and women access to health services). Special attention will also be paid to women's access to activities and the impact of activities on the division of tasks and roles within households.
- In the framework of the EC support to the Banana sector, one of the components includes the alignment to social and environmental norms in order to improve living standards in the plantations.
- However, there is no evidence so far on the EC effective contribution in that regard.

MESURES D'ACCOMPAGNEMENT 2007 EN FAVEUR DES PAYS SIGNATAIRES DU PROTOCOLE SUCRE- CÔTE D'IVOIRE (D-019 208)

FA

L'appui communautaire au secteur sucrier ivoirien appuie l'action de la Commission dans le renforcement des filieres agro-industrielles en Cote d'Ivoire. En effet, afin de maintenir l'emploi rural et d'augmenter le revenu paysan, des projets sont programmes sur les fonds Stabex 99 (appui a la filiere coton, infrastructures rurales, appui aux cultures perennes, mise a niveau food and feed). Sur la ligne budgetaire bananes, l'appui communautaire vise a maintenir les parts de marche de la banane et des autres fruits exportees sur le marche europeen. En plus d'investissements directs de competitivite en plantation, des efforts sont realises pour la mise aux normes du marche (traçabilité, chaine de froid, et certification), sociales et environnementales (amelioration des conditions de vie) des plantations. L'appui communautaire au secteur sucrier ivoirien s'integre egalement au deuxieme secteur d'intervention propose pour le 1 Oeme FED, la cohesion sociale et la rehabilitation d'infrastructures sociales et economiques et au secteur non focal « Appui a l'amelioration de la competitivite des filieres agricoles » plus particulierement au travers de la mise en place de mecanismes de gestion et d'attenuation des variations de prix, de renforcement des outils d'aide a la decision, et l'appui a la structuration institutionnelle du secteur agricole

IF

Questions transversales.

Une étude d'impact environnemental des industries sucrières est prévue. L'étude qui sera réalisée au niveau des populations vivant sur les complexes sucriers permettra d'en avoir une meilleure connaissance mais également d'identifier les problèmes auxquels celles-ci sont confrontées : santé, éducation, accès à l'eau potable, etc.

Lors du dialogue qui sera engagé avec les collectivités territoriales et de l'Etat sur leurs rôles respectifs par rapport aux populations vivant sur les complexes sucriers, une attention particulière sera accordée aux aspects de genre et d'équité de façon notamment à s'assurer que les services sociaux prennent en compte et répondent aux problématiques spécifiques liées au genre (notamment, scolarisation des filles et accès des femmes aux services de santé).

De même, dans les programmes d'appui à la canne villageoise, une attention particulière sera portée sur l'accès des femmes à cette activité et sur l'impact de cette activité au niveau de la répartition des tâches et des rôles au sein des ménages.

CADRE SPECIAL D 'ASSISTANCE EN FAVEUR DES FOURNISSEURS ACP TRADITIONNELS DE BANANES-2007 (D-019 202)

FA

La composante « appui a la reconversion» permettra d'assurer aux planteurs qui ne peuvent faire face aux conditions du marche international de la banane de pratiquer de nouvelles activites leur assurant un revenu correct et durable. La composante « appui au MINAGRI» en fournissant un appui logistique permettra aux cadres concernes du Ministere de travailler de façon plus efficiente et cl'assurer un meilleur suivi du programme ATF 3.

Aspect socioculturel/femmes et developpement

L'etude specifique relative aux « fonctions socio-économiques des femmes dans les campements et l'organisation de leurs activites » permettra de mieux connaitre l'aspect encore peu explore du role des femmes en plantations et d'identifier, si necessaire, des actions pour les financements ulterieurs. Les financements prevus au titre des annees 2000 et 2001 pour l'amelioration des conditions de vie des travailleurs et l'accès generalise a l'eau potable entendent repondre a l'objectif d'offrir des conditions de vie optimales a tous les ouvriers et a leurs families et devraient se traduire par une moindre penibilite clans les travaux affectes traditionnellement aux femmes clans les campements.

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

Summary for each indicator:

- The specific contribution of trade to the reduction of poverty and growth is underlined in the PRSP. Components and actions proposed by the PACIR programme directly contribute to the achievement of three pillars of the PRSP: Axis 1 "Good Governance", axis 2 "support for the rural and the promotion of private sector as an engine of growth ", and the axis 6" regional integration and international context". Moreover, there is a high coherence among the components of the project and the priorities / objectives of the PRSP.
- In the framework of the EC support to the Sugar sector, socio-economic aspects of TRA interventions have been analysed and addressed in design. In the framework of ATF 2007, two specific studies on social economic aspects of the interventions were planned to be funded.

PROGRAMME D'APPUI AU COMMERCE ET À L'INTÉGRATION RÉGIONALE – PACIR (D-021 309)

FA

Complementarites avec le DSRP

La contribution specifique du commerce a la reduction de la pauvreté et la croissance est ' presente de maniere transversale dans le DSRP. Les composantes/actions proposees par le projet contribuent directement a la realisation de trois axes du DSRP, a savoir l'axe I « bonne gouvernance », l'axe 2 « soutien au monde rural et a la promotion du secteur prive comme moteur de la croissance », et l'axe 6 « contexte international et integration regionale ». Par ailleurs, les interrelations evidentes entre les composantes du projet et les axes et objectifs du DSRP et des memorandums de politiques économiques et financières du Gouvernement garantissent la viabilite et l'appropriation nationale du projet propose, ainsi que la mobilisation des ressources nationales necessaires a sa mise en oeuvre.

MESURES D'ACCOMPAGNEMENT 2007 EN FAVEUR DES PAYS SIGNATAIRES DU PROTOCOLE SUCRE- CÔTE D'IVOIRE (D-019 208)

FA

Activite 4: Elaboration d'un programme d'appui au developpement de la canne villageoise

Les plantations villageoises de canne ont rencontre un reel succes aupres des populations vivant clans les complexes et jouent un role socio-économique evident. Neanmoins, ces programmes sont confrontes a des problemes d' appropriation par les planteurs des activites a mener sur ces plantations, notamment, en ce qui conceme leur financement. **Avant d'envisager une relance de ces programmes, l'AFT 2007 va**

financer une étude permettant de poser un diagnostic sur ce qui existe pour l'instant sur chacun des quatre complexes : la typologie des planteurs, le seuil et les conditions de rentabilité individuelle, les opportunités foncières d'extension dans et aux alentours des complexes sucriers, la structuration des planteurs en OPA, la capacité d'absorption des usines, le conseil de gestion, le suivi agronomique, les intrants et charges nécessaires, etc. Sur cette base, un programme pluriannuel d'intervention sera élaboré et mis en œuvre sur les AFT suivants.

Activité 5: Diagnostic et recommandations sur les coûts sociaux, le statut et la gestion des différents groupes de population résidents sur les complexes

Les industries sucrières remplissent des missions de service public vis-à-vis des populations habitant dans l'emprise des périmètres (estimés à 50.000 personnes), qui ne sont pas leur vocation. Les plus visibles sont relatives à la santé, à l'éducation ainsi qu'à la fourniture « gratuite » d'eau et d'électricité aussi bien pour leurs travailleurs dans le cadre des avantages en nature qu'au profit des autres habitants des complexes, voire des zones avoisinantes. Ces missions sont un héritage de la SODESUCRE, la société d'état qui gère les complexes sucriers avant la privatisation de 1997. Avec la privatisation et la recherche d'une plus grande compétitivité pour faire face aux enjeux actuels, les sociétés sucrières souhaitent légitimement un transfert de ces responsabilités à l'Etat.

L'action consisterait à faciliter la prise en charge progressive de certains coûts par les bénéficiaires et le transfert des responsabilités de service public aux collectivités territoriales et à l'Etat dans le cadre de la politique de décentralisation. **Dans le cadre de l'AFT 2007, il est prévu de réaliser une étude diagnostique visant à mieux identifier la population vivant sur les sites sucriers et évaluer l'ensemble des services sociaux rendus par les sociétés sucrières. Cette étude permettra de mieux appréhender l'importance des coûts et de proposer, en concertation avec les services de l'Etat, les mécanismes de transfert, total ou partiel, de charges et/ou de recouvrement des coûts si les sociétés sucrières continuent à supporter ces charges.**

CADRE SPECIAL D 'ASSISTANCE EN FAVEUR DES FOURNISSEURS ACP TRADITIONNELS DE BANANES-2007 (D-019 202)

FA

La composante « appui à l'appareil de production » en amélioration des techniques de production aura un impact sur la productivité des plantations (augmentation des rendements, sur la qualité des produits et sur la réduction des charges, améliorant ainsi la compétitivité des plantations de Côte d'Ivoire). Elle aura également un impact sur les conditions de travail des ouvriers (réduction de la pénibilité du travail) et sur l'environnement (électrification, efficacité de l'irrigation, réduction des traitements)

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

2.9.3 JC 9.3 - TRA supported enforcement of ILO standards

2.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

2.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>	<i>TAP / IF</i>	<i>Eval</i>	<i>ROM</i>	<i>Progress (MTR)</i>	<i>Final reports</i>
Cadre Spécial d'Assistance en faveur des fournisseurs traditionnels de bananes- Côte d'Ivoire-2007	X	n.a.	n.a.	n.a.	n.a.
Mesures d'accompagnement 2007 en faveur des pays signataires du protocole sucre - Côte d'Ivoire	X	n.a.	n.a.	n.a.	n.a.
APPUI REGIONAL A L'INTEGRATION (PARI) - UEMOA PHASE 2	X	n.a.	n.a.	n.a.	n.a.
Programme d'Appui au Commerce et à l'Intégration Régionale (PACIR)	X	n.a.	n.a.	n.a.	n.a.

3.1.2 EC documentation on trade-related assistance in the country

<i>Source</i>
EAMR: 2004, 2005, 2006 , 2007, 2009 and 2010

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Country Fiche

EGYPT

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1 Introduction

During the years 2004 to 2010, Egypt has received a high total volume (€ 183 million) of TRA by the European Commission, making Egypt one of the top receivers of TRA. The projects and programmes in this area have covered all categories and nearly all sub-categories of TRA. The programmes were rated as good to very good in respective final evaluation. The Country Strategy Evaluation of Egypt from the year 2010 confirms these assessments. However, most evaluations state problems with quantifiable indicators and specific quantified outcome targets which have often not been in place. Furthermore, a number of TRA interventions aimed at contributing to the growth of trade and export activities. The implementation of the EU-Egypt Association Agreement and the achievements of the different programmes have surely contributed to that. However, attribution seems to be very difficult and establishing direct causality between the Commission's interventions and the evolution of Egypt's exports seems to be an impossible task.

According to the 2009 Doing Business Report, Egypt was one of the global top ten reforms, showing improved performance in the area of trading across borders. But as of 2010 Egypt was still in the fourth quintile of all countries in the Doing Business ranking list.

Over the last years, Egypt pursued a course of trade liberalization. It signed a number of trade agreements at bilateral (among which the EU, several Southern Mediterranean partners, Irak, Turkey), regional (Common Market for Eastern and Southern Africa (COMESA), Agadir) and multilateral levels (WTO). These legal settings contributed to the drastic reduction of Egypt's tariff barriers between 2000 and 2008. However, trade restrictions were still important, as illustrated by the less significant reduction and high level of the tariff and non tariff measures compared to the ones of the tariffs alone (Country Strategy Evaluation 2010).

	2004	2005	2006	2007	2008	2009	2010
Exports Volume Index	129.0	136.1	146.8	162.8	203.1	209.4	214.1
Imports Volume Index	78.2	110.7	107.9	126.4	195.7	198.9	218.7
GDP per Capita in current US \$	1,082	1,209	1,422	1,696	2,079	2,371	2,698
Exports in % of GDP	28	30	30	30	33	25	21
Imports in % of GDP	30	33	32	35	39	32	26
FDI net inflows in current 1000US \$	1,253,300	5,375,600	10,042,800	11,578,100	9,494,600	6,711,600	6,385,600

Export volume indexes are derived from UNCTAD's volume index series and are the ratio of the export value indexes to the corresponding unit value indexes. Unit value indexes are based on data reported by countries that demonstrate consistency under UNCTAD quality controls, supplemented by UNCTAD's estimates using the previous year's trade values at the Standard International Trade Classification three-digit level as weights. To improve data coverage, especially for the latest periods, UNCTAD constructs a set of average prices indexes at the three-digit product classification of the Standard International Trade Classification revision 3 using UNCTAD's Commodity Price Statistics, international and national sources, and UNCTAD secretariat estimates and calculates unit value indexes at the country level using the current year's trade values as weights. (2000 = 100)

	Rankings of the Global Competitiveness Report of the World Economic Forum (WEF)						
Egypt	2004	2005	2006	2007	2008	2009	2010
Rank	62	53	63	77	81	70	81
total number of countries	104	117	125	131	134	133	139

WTO membership: Yes, since 30.06.1995

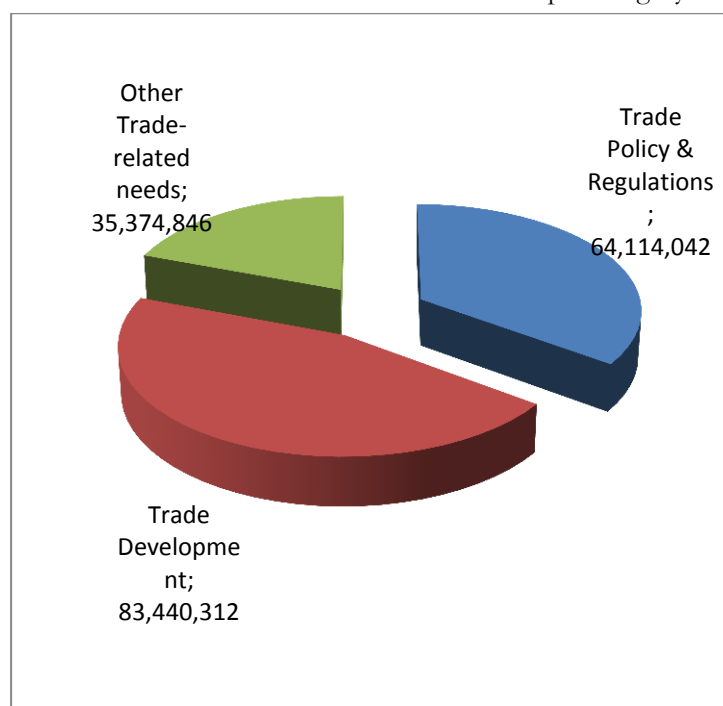
1.1 Commission's TRA to Egypt between 2004 and 2010

1.1.1 Contribution per sector, modality and channel

1.1.1.1 Breakdown per Category

Year	Trade Policy & Regulations	Trade Development	Other Trade-related needs	Grand Total
2004	16,084,539	73,125,000		89,209,539
2005	44,155,212	209,503		44,364,715
2006	1,898,947	1,089,968	21,861,243	24,850,158
2007	1,624,147	378,256		2,002,403
2008	233,651	3,142,949	3,000,000	6,376,600
2009		5,421,046	10,115,512	15,536,558
2010	117,544	73,590	398,092	589,226
Grand Total	64,114,042	83,440,312	35,374,846	182,929,200

Total volume of contracted amount 2004-2010 per category



1.1.1.2 Breakdown per Modality

Year	Project Approach	SBS	Support to Sector Programmes	Grand Total
2004	16,084,539	73,125,000		89,209,539
2005	44,364,715			44,364,715
2006	4,679,709		20,170,449	24,850,158
2007	2,002,403			2,002,403
2008	6,376,600			6,376,600
2009	15,536,558			15,536,558
2010	589,226			589,226
Grand Total	89,633,751	73,125,000	20,170,449	182,929,200

1.1.1.3 Disbursement Rate

Year	Amount contracted in €	Amount paid in €
2004	89,209,539	89,209,539
2005	44,364,715	44,364,715
2006	24,850,158	22,404,726
2007	2,002,403	2,002,403
2008	6,376,600	3,209,343
2009	15,536,558	10,166,204
2010	589,226	382,972
Grand Total	182,929,200	171,739,902

Disbursement per Category

Category	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	64.114.042	64.053.397
Trade Development	83.440.312	80.517.126
Other Trade-related needs	35.374.846	27.169.379
Grand Total	182.929.200	171.739.902

Disbursement per Modality

Modality	Amount contracted in €	Amount paid in €
Project	89.633.751	80889885,79
SBS	73.125.000	73125000
Support to Sector Programmes	20.170.449	17725016,48
Grand Total	182.929.200	171.739.902

Disbursement per Channel

Channel	Amount contracted in €	Amount paid in €
Government	140.234.480	134.783.673
Private Company	41.176.203	36.094.979
Research Institution/University	1.518.517	861.250
Grand Total	182.929.200	171.739.902

1.1.2 Important TRA interventions in Egypt

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Committed amount for the intervention</i>
Trade Enhancement Programme A (TEP A)	MED/2002/003-396	18,420,912
Trade Enhancement Programme B, TEP-B	MED/2003/004-150	39,685,790
Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	MED/2003/005-714	4,005,937
Spinning and Weaving Sector Support - Egypt	MED/2004/006-223	74,619,596
Research, development and innovation	MED/2006/018-252	8,724,952

Source: CRIS database, Partecip GmbH analysis

1.2 Description of main EC intervention

1.2.1 Intervention no 1

Title: Trade Enhancement Programme A (TEP A)

Budget: € 18,420,912 (CRIS) / € 20,000,000 (Programming documents)

Aid Modality: Project approach

Start and end date:

Objectives and expected results:

Overall objective:

To contribute to Egypt's macro-economic stability and sustained development in the context of increased economic interdependence (globalisation) between nations.

Specific objective:

To implement trade related reforms that will progressively increase the competitiveness of Egypt's trading sectors and boost exports volumes. In particular, to embed administrative and legislative modalities, procedures, and mechanisms necessary for trade liberalisation including export promotion

Expected results:

1. Improved functioning and responsiveness of Egypt's Commercial Representation System. Staff at all levels better understand the CRS role and mission, both in Egypt and abroad.
2. Enhanced capacity of the MoFT to manage, implement, inform and advise on the trade provisions of the EU-Egypt Association Agreement and other regional free trade agreements. Creation of effective and sustainable internal and external information systems for the benefit of public and private sector clients with the aim of making the Agreement operational in the real economy.
3. Strengthened MoFT capacity to inform, advise, train and support other relevant trade-related ministries and private sector bodies on WTO agreement matters. Effective dissemination of information and advice other government departments and private sector bodies on WTO/GATT issues through multiple channels.
4. Reinforced capacity of the main Egyptian Export Promotion entities (CRS, EEPC, GOEIF, EITP); improved information, counselling and technical support services provided to the private exporting sector with a view to increasing the latter's competitiveness and performance. Introduction of an inter-agency export data clearing house.
5. Upgrading of a selected number of GOLEC laboratories/testing facilities to international standard/accreditation level, with a view to improving both the quality and the quantity of traded goods flowing through Egypt.

Component 1 – Commercial Diplomacy

Estimated budget: 2 750 000 €

The first component will concentrate on the "front desk" of commercial diplomacy. Technical assistance will seek to (i) upgrade policy-making capacity (ii) strengthen commercial effectiveness and (iii) improve the timeliness, accuracy and relevance of the information provided by CRS.

Component I will seek to provide commercial and technical training to CRS staff working in commercial business development areas. It will contribute to the up-grading of the core competences of local CRS staff, with an expected rebound effect on public and private business. Particular emphasis will be placed

upon trade links with the European Union, and upon the need to respond to private sector concerns and aspirations. Synergies with the Egypt IMP programme shall be identified and developed.

Component 2 – EU-Egypt Association Agreement

Estimated budget: 2 800 000 €

At the core of EU trade policy, the Association Agreement will be the main focus of the second component. This component will support MoF's relevant entities/Agencies responsible for the EU Association Agreement, to better manage and co-ordinate implementation and information dissemination amongst interested parties (private and public sectors). Activities will include high-level policy assistance for EU Association trade-related tasks, such as reviewing legislation and preparing policy papers. In addition, assistance for implementation of the trade-related aspects of the Association Agreement will be provided. Activities will include personnel training- with involvement of both the public and the private sectors - to raise awareness at the opportunities offered by the further participation of Egypt in the EU trade framework. Activities will also include the provision of information technologies, office equipment and basic reference/documentation material to further the capacity of the MoF to deal with the Association Agreement.

Component 3 – WTO Agreements

Estimated budget: 2 400 000 €

Technical assistance will be aimed at reshaping the roles and functions of staff dealing with WTO agreements so as to enhance performance. The designing an effective communications system will also be undertaken. Activities carried out under this component will seek to avoid duplication of other donor WTO-related initiatives in Egypt.

Activities shall normally include training schemes, study tours, seminars and on-the-job coaching in order to upgrade and extend the skills of staff and enhance their performance. The Component also makes provision for some information technologies, office equipment and reference documentation materials.

Component 4 – Export Promotion

Estimated budget: 6 000 000 €

Activities under Component IV will assist to provide clarification/ definition of the role of each actor within Egypt's trade promotion strategy. It will also seek to reinforce collaboration between the private sector and public agencies. The main beneficiaries of this Component will include the CRS, which has a leading role in export promotion, the EEPC, GOIEF and TTP.

This component will be split into two separate Goals (or sub-components):

Goal I - Training:

Activities will cover the direct needs of trade stakeholders via training and the dissemination of crucial information. This component will be characterised by the following elements:

- Trainers and advisers will be identified to enhance - via relevant inputs - the actions of GOIEF, EEPC and CRS
- Training will be offered to private sector SMEs in order to raise awareness and initiate/improve export performance. However, such training should compliment (and not duplicate) activities provided to SMEs under the EC-funded Egypt IMP programme.

- Training will cover essential export promotion activities and techniques (for example, marketing, fairs and exhibitions, promotion strategy, export finance, tenders)

Goal II - Information Management :

Activities will be devoted to information management and will aim to:

- increase service quality, in particular to prepare and define criteria of objectivity for the information transmitted to businesses and investors. Training will also seek to imbed the importance of accuracy and timeliness.
- contribute to the development of user-friendly data access as a key factor in improving trade services
- include the preparation, publication and distribution of Business Guides and studies on specific products and markets. The choice of topics shall be made in consultation with private sector representatives.

At all levels, Technical Assistance will actively involve the private sector, in particular to better assess needs and provide accurate, tailored information upon request. Activities under this component will seek to re-engineer the way the MoFT functions, in order to enhance transparency and accountability. Collaboration with the EC-funded Egypt IMP Programme will be an important vector to maximise the impact of activities.

Component 5 – Trade Facilitation

Estimated budget: 2 000 000 €

The main client of this component is GOIEC and its selected testing laboratories. Technical Assistance will promote awareness, understanding and application of internationally recognized testing provisions. This component will support the government initiative to aggregate necessary steps into efficient "one stop shops". Technical Assistance will assist in an assessment of the needs of selected laboratories, and in subsequently preparing an implementation plan aimed at paving the way for international accreditation.

Another facet will be training in international testing standards and norms, as part of the process of preparing for accreditation. The Component will seek to benefit from the facilities and the cost-effectiveness of existing training institutions through grant contracts. Study tours will be provided for selected Egyptian personnel, including in similar Agencies in Europe (twinning).

Provision of some state of the art equipment, in particular for prototype testing and control, together with upgrading of the communications system, will form part of this component. The EC-funded Egypt IMP programme includes a working group on laboratories and calibration; synergies with the IMP programme shall therefore be developed. Activities carried out under this component will take into account the need to co-ordinate with the USATD-financed "A TR" programme .

1.2.2 Intervention no 2

Title: Trade Enhancement Programme B (TEP B)

Budget: € 39,685,790 (CRIS) / € 40,000,000 (Financing Agreement)

Aid modality: Budget support

Start and end date: 14/7/2006 – 31/12/2006

Objectives and expected results:

Overall objective:

improvement of access for Egyptian producers to international inputs and increased competitiveness of Egypt's exports.

Specific objective:

(i) reduction of the deadlines and costs associated with customs import and export formalities, (ii) strengthening of export incentives and (iii) reduction of deadlines and costs associated with checks on quality standards.

Expected results:

systematic and transparent dissemination of information on customs rules and procedures, and better access to customs services for the public;

- full information on customs formalities, wider use of formalities before the arrival of goods, and an increase in on-line declarations;
- decisive progress towards a selective approach (creation and use of risk management databases) particularly through a viable MCTC, which will handle at least 300 major taxpayers from October 2002, and subsequently at least 600;
- fairer, more neutral and more uniform handling of complaints by traders;
- a system of simplified customs formalities in operation at the (new) port of Ain Sukhna by the end of 2002 (subsequently to be duplicated in the new port of Port-Saïd East Bank);
- faster and less expensive transit from sea ports to free zones and between free zones;
- less discriminatory incentives to the promotion of competitive exports and the proliferation of private free zones;
- internationally recognised standards, testing and certification methods which are in accordance with EU or ISO rules, faster and more selective quality inspections.

1.2.3 Intervention no 3

Title: Trade Enhancement Programme C (TEP C)

Budget: € 4,005,937 (Committed amount according to CRIS) (€ 6,000,000 as initially planned in Financing Agreement)

Aid modality: project approach

Start and end date: 15.06.2005 – 31.12.2007

Objectives and expected results:**Overall objective:**

The programme aims to reduce the cost of doing business in Egypt, especially as regards foreign trade transactions. In order to enhance economic efficiency and foster commercial competitiveness of exports. Customs formalities will be made more predictable and less costly for all operators in foreign trade activities.

Programme Purpose:

The programme will endeavour to streamline and harmonise Customs procedures according to international best practices, to modernise Customs operational tools and to upgrade Customs professional capabilities, at the technical, managerial and institutional levels.

Expected results:

Application by Egyptian Customs of the WTO approach to valuation, leading to increased transparency (predictable outcomes) in Customs valuation. Increased institutional capacity based upon awareness of/access to valuation databases.

Establishment of a functioning Customs Risk Management System facilitated by the purchase of appropriate software

Redefinition/upgrading of the post-clearance Control & Audit functions within Egyptian Customs, thus providing an efficient safeguard for state revenues whilst allowing the trading community early clearing/access to goods.

Strengthened and streamlined middle management, able to contribute effectively to the modernization and up grading of Customs at technical levels.

Improved relations between Customs and importers/exporters coupled with the introduction of enlightened and more productive overall control systems, will reduce import/export fraud.

Programme Activities

Technical assistance (TA) and training will constitute the backbone of the project. Assistance may be provided, where possible and appropriate, transfer of expertise by European public sector (twinning, administrative arrangements, exchange of officials, etc.). Provision of some equipment (notably in the context of the purchase of a risk management system) is also foreseen. A proportion of TA budgets may be dedicated to the translation and/or publication of guides and manuals, in addition to the specific Component for internal/external communication. Training will be primarily undertaken in Egypt. Some training in the EU (including study tours) may also be organised where appropriate. TEP-C funding cannot be used to finance net staff positions within the Customs Administration.

Component I: Customs value/Valuation

- Assessment of the current situation;
- Appraisal of training needs at all levels;
- Design of a training strategy and curricula on valuation training for different target groups (general valuation principles; what to teach appraisers?; arbitrators?; traders?);
 - Organization of training courses in Egypt with a focus to train trainers;
 - Organization of workshops on valuation with appraisers, arbitrators and traders;
- Assistance in writing, editing and distributing a Valuation Procedures Manual;
- Workshops evaluating progress achieved in implementing GAIT Valuation Agreement;
- Needs assessment regarding the design/purchase of a valuation database;
- Support to the functioning of a higher dispute settlement system to be implemented in a decentralised manner in all Customs Central Offices.

Component II: Risk Management System/Software

- Assessment of the current situation;
- Definition of the criteria for a Risk management system/software to be purchased;
- Drafting of technical specifications;
- General introduction to risk management and selectivity;
- Assistance in defining, formatting and updating selectivity criteria;
 - Assistance in preparing and distributing guidelines;
- Technical assistance to upgrade and extend Centralised data-entry facilities to selected physical Customs offices, supported by a single centralized cashier where payment is received at the time of declaration presentation.

Component III: Post-Clearance Control/Audit

- Assessment of the current situation;

- General introduction on post-clearance control;
- Assistance in re-assessing the principles on which a Post Clearance Control Function should be based (based on these principles, Egyptian customs will upgrade its Post Clearance/ Audit Department);
- Assistance in defining a training strategy for Post Release Auditors;
 - Assistance in designing training material for Post-Release Auditing Trainers.
- Training (and after-training selection) of candidate post-release auditors to be recruited among existing valuation appraisers and documents inspectors;
- Advanced training on audit techniques to accounting books and records auditing (including techniques to be tested in MCfC. using the exchanges of Customs and Tax files in order to detect frauds and high-risk traders);
- Assistance in defining selection criteria for Post Release Audits (to be co-ordinated with component II);
- Assistance in designing guidelines or a manual for Post-Release Auditing, including printing and distribution.

Component IV: Capacity Building with a focus on Middle Management

- Initial Study on the current situation of Customs middle-management, with a summary of issues and challenges leading to recommendations (in close collaboration with other donors, to avoid duplication);
 - Management training for middle-managers, including management techniques, delegation and devolution of decision-making to the lowest possible levels (essential in a highly-automated environment, which is increasingly the case for Customs);
- Assistance for the definition/modernisation of curricula for management training; • Assessment of the Customs training function and recommendations;
- Training of trainers in areas covered by the project; • Assessment of equipment/training material needs in selected training centers (priority Cairo and Alexandria).

Component V: Internal/External Communication

- Assistance for devising and implementing an internal Communication Strategy inside the customs administration and towards other GoE Ministries and Agencies;
- Assistance in devising and implementing a strategy on communication with the local business community;
- Assistance in implementing a limited number of recommended, concrete tasks in the framework of the designed communication strategies.

1.2.4 Intervention no 4

Title: Spinning and Weaving Sector Support Programme

Budget: € 74,619,596 (Committed amount according to CRIS) / € 80,000,000 (Estimated amount in Financing Agreement)

Aid modality: € 78,000,000 budget support and € 2,000,000 complementary support

Start and end date: 03.10.2004 – 31.12.2008

Objectives and expected results:

Overall objective:

The overall objectives of the programme are:

- Increase resource allocation and sectoral efficiency in the economy;
- Strengthen international competitiveness of the textile industry;

- Upgrade labour skills and employability, in particular in the textiles sector, to ensure sustainable economic growth and raise the standards of living of the concerned population;

Specific objective:

The specific objective of the programme is to create a modern, market driven, competitive spinning, weaving sector, capable of generating jobs and employment opportunities

Expected results:

The following are the main expected outcomes of the programme:

- The textiles sector general regulatory framework is consistent, predictable and conducive to private investment, both domestic and international;
- The Egyptian textile industry, in particular the spinning and weaving sectors, benefit from an efficient, sound and high quality cotton sector;
- The publicly owned spinning and weaving companies are in private hands or have been totally restructured and are well managed, profitable and internationally competitive in an open undistorted market;
- Social climate is improved, clearly distinguishing social obligations from the Government and social and employment opportunities by the sector
- Redundant workers are upgraded and reemployed productively;

Component 1 – Regulatory Reform

The first component aims at achieving the transformation of the textile sector regulatory framework in order to facilitate free movement of textiles raw materials and subcomponents and to eliminate barriers to trade that will ultimately result in an obstacle to the development of the Egyptian textiles sector.

As indicated in the "Egyptian Cotton Sector Strategy" (supported by GTZ), the Government of Egypt has eventually come to the conclusion that the deep crisis of the public spinning and weaving industry was intimately entwined with the crisis of the Egyptian cotton growing sector. Regulatory reform would thus facilitate the reduction of artificially high cost of domestic raw materials for the industry, provoked by the pricing mechanism of cotton. The reform would also result in better access for the industry (in particular the public sector spinning) to medium and long staple varieties necessary to satisfy demand for coarse and medium count yarns. Therefore, the Government will ensure that the legal framework is clarified and devoid of any ambiguity, thus facilitating the development and operation of the industry at all levels, in particular at spinning and weaving level. A comprehensive, consistent and predictable regulatory framework, excluding all potential reversals or recourses to outdated bureaucratic interferences (like the recent banning of some cotton varieties exports), will increase investors' confidence and private sector involvement in the sector.

In addition, the legal environment of textile and cotton activities will be streamlined and transactions in cotton seeds trade will be gradually liberalised. This should allow for greater involvement by the private sector in seed production and distribution, thus contributing to increased efficiency and technological development.

Regulatory distortions in covering double fumigation costs will be addressed in order to respond to the industry concerns about raising costs while maintaining prudential

controls in accordance with international standards.

Finally quality will be enhanced through appropriate regulations on trash and contamination at the ginning level. Government action should favor self-regulation and codes of conduct by industry and farmers in order to develop a new level of ownership on cotton purity.

In summary, the first component entails two sub-objectives: increase the potential competitiveness of the sector as a whole and its integration and inter links with the world market of textiles, and raise the level of attractiveness of the Egyptian textile sector for private investors through higher quality cotton, thus increasing the chances of development of the spinning and weaving sectors.

Component 2 – Restructuring the sector

The second component will support the Governmental stated policy of sector restructuring with a view to facilitate privatisation of public spinning and weaving enterprises held by the Cotton and Textile Industries Holding Company.

The privatisation of the spinning and weaving sector, which has been a Government objective for a large number of years, was reiterated by the Government under the GTZ supported "Egyptian Cotton Sector Strategy".

Furthermore, this policy was developed and presented to the EU in a strategic document sent to the EC Delegation in January 2003 by the Government of Egypt. The policy was further reiterated by the Minister of Public Enterprises during various meetings with EU top officials. This policy has now been fully endorsed by the new Ministry of Investment.

The Government's policy, supported by the programme, will involve both restructuring and upgrading public sector companies, while pursuing the privatisation plan in parallel.

To this end, the Government, through the Holding Company, will ensure that management structures are upgraded and rationalised within the Affiliates, while a performance-based management system is put in place. Furthermore, the Holding Company should ensure a transparent and qualitative human resource strategy that will facilitate both the on-going privatisation process and the restructuring of the remaining public sector companies. Actions under this second component will also comprise, where appropriate, the sale of assets for the companies that do not seem to have sustainable chances for surviving by themselves, even through restructuring, nor of being potential targets for private investors. The process would start with the redeployment of staff in labour pools (see third component, below) to ensure, as a guiding principle of the EU programme, that social aspects are duly taken into account during the restructuring strategy.

Other companies are already slated for sale and have been published for the sake of their privatisation. The Government will ensure that the process of sale is conducted in accordance with its announced plans and that negotiations with investors can be conducted in an efficient and timely manner.

In summary the second component will achieve important goals either directly or indirectly:

- Financial and asset restructuring of the public sector enterprises through sale of unnecessary real estate and other assets;
- Allow for privately financed investment in an industry that needs modernized equipment and management

- Bring the enterprises concerned back to viability; Upgrade management structures, in terms of accountability performance and transparency, including human resource management

Component 3 – active social treatment of redundancies

The third is essential and constitutes a key driver for the whole restructuring process, in as much as it deals with the social dimension.

It is clear that either through sale of assets, where deemed necessary, or through privatisations, redundancies will appear in the publicly owned companies and will have to be dealt with. To that effect, the programme will include a measure by which the Government will agree with the Social Fund for Development a strategy by which, on behalf of the HC, labour pools will be created and managed by the SFD. This conditionality is directly based on the previous experience of the SFD with the HC and will benefit directly from lessons learnt from the past.

The creation of the labour pools will be prepared and monitored by a Labour Adjustment Committee (LAC) to be created at the very beginning of the programme. The LAC will contain equal representatives from labour unions and the management of the enterprises as well as of the holding company. The SFD will chair the LAC which will be the umbrella under which the labour pools will be organised. A Main Labour Pool will be established to manage the labour adjustment programme.

The LAC will recommend to the Main Labour Pool the general policies, strategies and guidelines under which it will run its operations (including details about compensation for workers who opt for leaving the companies). This Main Labour Pool shall be responsible for the overall planning and organisation of activities. In the framework of the programme, this Main Labour Pool, in collaboration with the Holding Company, will select the suitable sites for the subsidiaD' labour pools Oocal labour pools). The local labour pools will be responsible for the direct implementation of the activities

All workers should be registered in the database of their local labour pool and should attend an awareness session on the different options and services available within the labour pools. Both management and labour unions should cooperate together to ensure the highest level of visibility of the programme. The whole amount of redundant workers from the various affiliate companies should be offered the choice to enter in the labour pools on a voluntary basis. Workers in the labour pools will continue to receive their salaries and will be entitled to training, job placement, technical and advisory counselling, support for enterprise creation, etc.

The programme is based on the assumption that early retirement schemes are financially and socially too costly and even wasteful when compared to the contemplated active labour adjustment, workforce redeployment and re-employment measures envisaged in the programme. Yet, under certain circumstances, early retirement for specific age groups should not be ruled out.

In order to increase the odds for a successful launching of the labour adjustmenz policies and of their labour pools instruments, adverti9sing campaigns and concentration mechanisms involving labour unions will be organized throughout the whlolo operation.

Furthermore, tom complement actions undertaken at the afiliates' level, a nwtion-wide strategy will be undertaken witzh a view to concentrating and coordinating some of the activities of

existing programmes such as IMP or the TVET on the sector or regions affected by the redundancies created through the restructuring plan implemented by the Government.

Such course of action should be based on an updated strategy presented by the Government at an early stage of the programme, building on existing documents that contain the main policy commitments related to the sector, such as the Textiles Sector Strategy (presented to the EU on January 2003); the GTZ supported "Egyptian Cotton Sector Strategy"; the IMC-supported "White Paper on Industrial Policy" (including a sector strategy for textiles).

The Strategy should be developed into an Action Plan which should contain a clear view as to the cost of reform and the financial means necessary to finance the reform, within the Egyptian administration and relevant public bodies. The Action Plan should be comprehensive of the whole policy framework and should provide for a direct linkage with the programme.

The Strategy and the Action Plan should be guided at all times by the social concerns and the importance to ensure that all industrial, technological and trade advancements in the textiles sector provide for employment generation and increased social well-being (in particular for former employees of the public sector spinning and weaving companies).

TRA Relevance of Intervention

MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt
Final Evaluation - December 2009
p. 15 (8)
The sector is also a significant exporter, with approximately \$1.4 billion in annual exports, representing 24 percent of total non-oil export trade. While Egypt's main export partners have traditionally been the United States (40 percent) and the European Union (38 percent), Egypt's international textile trade has diversified greatly in recent years to include more cooperation with other Arab countries, China and Brazil. Egypt's textile industry is remarkable in that all stages of production from cotton cultivation to exporting are present within the country. Egyptian superior long and extra long staple cotton is world-renowned. It is grown mostly on small plots, providing income to half a million farmers.
p. 35 (28)
The SWSSP aimed at supporting the Government in their clearly stated reform strategy of the sector, contributing to the creation of conditions for a growing, profitable and competitive textile sector in Egypt, reversing negative trends observed over the previous decade in terms of exports competitiveness, financial soundness and managerial performance.

1.2.5 Intervention no 5

Title: Research, Development and Innovation

Budget: € 11,000,000 (Primary commitment); actually committed according to CRIS: € 8,724,952

Aid modality: Project approach

Start and end date: 01.10.2007 – 31.12.2011

Objectives and expected results:

Overall objective:

Contribute to enhancing growth and international competitiveness through improving Research, Development and Innovation performance.

Specific objective:

The programme has two specific objectives:

- Strengthen the link between research and development (R&D) sector and the industry with better dissemination of the innovation and technology transfer culture.
- Facilitate Egyptian participation in the European Research Area.

Expected results:

The expected results from the programme are the following:

- Innovation and technology transfer are enhanced, through supporting the innovation value chain from research to business applications;
- Joint working between Egyptian and European researchers is fostered, by promoting the successful participation of Egyptian researchers in projects within the 7th research Framework Programme (FP7) of the European Commission, including the Marie Curie mobility actions;
- Monitoring and evaluation policies, practices and capacities are in place enabling Egyptian authorities to determine the most effective and efficient practices relevant for research, development and innovation.

Activities:

EU-Egypt Innovation Fund (Component I)

The activities under this component will consist of the establishment of an innovation fund to support research outputs, exploitation and innovation with closer links to national or European industries. The fund will support projects on a competitive basis for applied research, with an emphasis on innovation. The EU-Egypt Innovation Fund will provide grants to cooperative projects that aim at enhancing the innovative capabilities of industrial companies and notably the privately owned small and medium-sized enterprises (SMEs). To be granted, project proposals must be submitted by a consortium that consists of at least one partner from the industrial sectors and one partner from the R&D sector (university and/or non-university). Applications and funding of large size projects will be encouraged as well as those projects including an EU and/or MEDA partner from industry or research sector. Applicants can be natural persons or legal persons and be directly responsible for the preparation and management of the project together with their partners.

Research, Development and Innovation Networking (Component II)

The "RDI Networking" component will undertake a number of activities aiming at informing, promoting and strengthening the capacities of the Egyptian R&D sector to embark in a fruitful scientific co-operation with European partners and to benefit from the potential and opportunities offered under the European Research Area.

Policies for monitoring and evaluating R&D projects, programmes and institutions (Component III)

The activities under this component will be implemented along the following two phases:

First phase: review of evaluation processes and methods already in use in Egyptian ministries and R&D related organisations, data will be collected worldwide about current best policies and practices related to monitoring and evaluating R&D projects, programmes, and institutions. 'Best policies and practices' from the Egyptian point of

view will be proposed as results of this first phase.

Second phase: three to four Egyptian organisations should implement the suggested policies and practices into their daily operating procedures. This will entail knowledge transfer through workshops, seminars, and trainings within the selected organisations, eventually with technical assistance support.

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

Summary:

- In general: mid-term evaluation states high relevance of all components of Trade Enhancement Programme A (TEP A)
- Final evaluation of TEP A states very high relevance of whole programme: 4.7 out of 5, while also each component was very relevant (4 or 5)
- Final and mid-term evaluation of TEP-A state that the programme is building upon the perceived needs of the Egyptian Government and is in line with the priorities of the Egyptian Government
- ROM report for Trade Enhancement Programme B (TEP B) states that the programme is relevant.
- Final Evaluation of Spinning and Weaving Sector Support Programme states that the programme "was in line with the Government's support programme for the Spinning and Weaving sector", and that "the sector budget support was relevant and adequate for helping the Government to achieve some objectives for the spinning and weaving sector."
- Trade Enhancement Programme C is based on a request by the Egyptian Government (see indicator 1.1.4). Furthermore, "... the GoE institutions concerned, mainly the Ministry of Finance with the Egypt Customs Authority (ECA) and the Ministry of Trade (MITE) have been strongly involved in the design of the programme."
- Furthermore, the final evaluation states, that tEP C is addressing actual needs of Egypt since "The imperative for customs reform in Egypt is evident: Egypt has witnessed significant growth in the volume of its international trade, accompanied by serious efforts toward economic and trade integration.", and also to meet Egypt's obligations stemming from membership in the WTO and comply to adherence to the World Customs Organisation's Kyoto Convention. And "Relevance of the TEP C programme is high and the same will apply to future trade enhancement programmes in Egypt. The economic gains through such programmes to the country, in terms of trade enhancement and revenues generated to the national budget, are substantial."
- ROM report MR-107262.02 for Research, Development and Innovation Programme states that the programme is in line with the objectives of the Egyptian Government and the EU.

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Financing Agreement, Terms of Reference, Technical and Administrative Provision

p. 17:

Aware of the crucial impact of- and increased demands faced by - the institutions in charge of trade, Egypt has taken measures to adapt. A new Trade Law was enacted in 2002. The former Ministry of Economy and Foreign Trade has been split by Presidential decree, and the new Ministry of Foreign Trade (MoFT) is entirely focussed on international commerce. This is a strong signal of the commitment of Egypt to enhance trade, and establishes MoFT as the key interlocutor and beneficiary of the EC TEP-A initiative, described hereafter.

The Trade Enhancement process is geared towards sustainable economic growth via the improvement of Egypt's overall export potential, the facilitation of access to new and existing markets, and by the creation of necessary support and related facilities for businessmen to operate overseas. However, in order to maximise opportunities afforded by trade liberalisation, Egypt's trade policy needs to further evolve. Existing resources will need to be optimised, and trade capacities built up. Investment in technical assistance to trade-policy administration and the training of trade-related Agency personnel should offer high returns to Egypt. Upgrading and fine-tuning trade instruments, as well as building the institutional capacity of oversight trade authorities, will enable Egypt to take full advantage of globalisation.

Through a comprehensive Trade Enhancement Programme (including TEP-A and a parallel budgetary support programme, TEP-B), the EC will support Egypt in implementing trade liberalisation. The EC Programmes will complement trade initiatives by other international partners, such as the USAID-funded "ATR" programme and Japanese support for the recently-opened Foreign Trade Training Centre (FTTC) in Cairo. TEP-A should also establish synergies with the EC-funded Egypt Industrial Modernisation Programme (IMP) to encourage exports by Egyptian SMEs.

p. 21:

Therefore, it may be considered that the Programme Inception Report, Overall Work Plan (September 2005 to April 2007), the Annual Work Plan I (from January to December 2005) were prepared -from the start of TEP-A Inception phase on September 15 2004 to their finalisation by end-November 2004together with the Ministry's counterparts and direct beneficiaries currently in place.

Mid-Term Evaluation – September 2006

p. 29

Findings on Component I Trade Diplomacy

Relevance:

Component I was designed to support the Egyptian Commercial Services (ECS), consisting originally of 65 offices across the world. TEP-A was to "establish the basis for a pro-active orientation in line with best practice in the international trade and promotion agencies". The importance for the development of exporting industries of upgrading the commercial services related to Egyptian embassies abroad has been highlighted to the evaluation team. It was pointed out by the ECS headquarters and confirmed by representatives of Egyptian exporting industries that support was strongly required under the form of institution and capacity building but also in the form of investments for the refurbishment of key ECS offices abroad

p. 30

Relevance of Component II – Egypt-EU Association Agreement

Support delivered by the EC to the EEAA Unit is seen as particularly relevant in the light of EU neighbourhood policies and in the context of strengthening ties within the Mashrek and between the Region and the EU.

p. 28:

In fact, the Project OWP section 3.1 highlights the priority, among all the activities, of the delivery of a national export-promotion strategy (activity 4.1) and insists that all activities should be consistent with the results of this activity. The results from the other activities were to be conditioned by

<p>recommendations emerging from this activity, which were to be complemented with the corresponding recommendations on investment attraction resulting from activity 1.2. In this respect, organizational recommendations concerning the ECS were to take into consideration and be consistent with the results obtained in the above mentioned activities. The coherence of other components with a national export-promotion strategy is also re-emphasized in section 3.1. of the A WPI for activities to be performed in 2005.</p>
<p>Final Evaluation – January 2008</p>
<p>p. 7 (2)</p> <p>The evaluation team would like to point out that the overall objective is highly relevant and the inputs/activities, during the programme life-cycles, have certainly contributed to Egypt macro-economic stability and sustained development in the context of increased economic interdependence and globalisation.</p>
<p>MED/2003/004-150 - Trade Enhancement Programme B, TEP-B</p>
<p>ROM report MR-102329.01</p>
<p>p. 2</p> <p>The Overall Objective (OO) was the improvement of access for Egyptian companies to international inputs and increased competitiveness of Egypt's exports, and as such was extremely appropriate to reduce trade barriers and to promote economic growth.</p> <p>...</p> <p>The project was highly relevant and remains so today.</p>
<p>ROM report MR-102329.01</p>
<p>Sheet "Relevance"</p> <p>This was a highly relevant project at time of conception and remains even more relevant today.</p> <p>...</p> <p>The project is consistent with EC priorities and the EU-Egypt Association Agreement. The World Bank Document 'Doing Business Report ranks Egypt as the 'top reformer of the year for 2007' which is an indication of the relevance of the program</p>
<p>MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt</p>
<p>Final Evaluation - December 2009</p>
<p>p. 17 (10)</p> <p>Launched at the end of 2004, the SWSSP was in line with the Government's support programme for the Spinning and Weaving sector.</p> <p>...</p> <p>The SWSSP was also intended to continue the action plan designed by GTZ for the cotton sector.</p>
<p>p. 38 (31)</p> <p>In spite of the above, the sector budget support was relevant and adequate for helping the Government to achieve some objectives for the spinning and weaving sector. Specifically, remarkable results were achieved under Component C (see § 2.3 below).</p>
<p>Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)</p>
<p>Final Evaluation – January 2008</p>
<p>p. 12 (5)</p> <p>More important, the GoE institutions concerned, mainly the Ministry of Finance with the Egypt</p>

Customs Authority (ECA) and the Ministry of Trade (MITE) have been strongly involved in the design of the programme.

Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)

Final Evaluation – January 2008

p. 15 (8)

The imperative for customs reform in Egypt is evident: Egypt has witnessed significant growth in the volume of its international trade, accompanied by serious efforts toward economic and trade integration.

...

p. 16 (9)

Besides trade treaties, Egypt Customs must also comply with its World Trade Organization (WTO) obligations, and adhere to the World Customs Organization's (WCO) Kyoto Convention, which emphasizes the simplification and harmonization of Customs procedures.

p. 31 (24)

Relevance of the TEP C programme is high and the same will apply to future trade enhancement programmes in Egypt. The economic gains through such programmes to the country, in terms of trade enhancement and revenues generated to the national budget, are substantial.

Research, Development and Innovation

ROM report MR-107262.02

p. 2

Both objectives are in line with the objectives of the Egyptian Government and the EU. The Egyptian Government has repeatedly stressed the importance of R&D and created the appropriate institutions and financing schemes, the Higher Council for Science and Technology (HCST) and the Science and Technological Development Fund (STDF).

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

Summary:

- For Trade Enhancement Programme A, there was a close consultation with relevant Egyptian authorities
- The Spinning and Weaving Sector Support Programme builds upon an analysis of this sector which was carried out by GIZ (then GTZ)

Trade Enhancement Programme A

ROM report MR-010287.01

A preliminary Trade Enhancement Programme (TEP) Identification Report was prepared at the end of 2000, containing two programme components: Technical Assistance and Sector/Budgetary Support. This report was considered too wide-ranging and was not approved by the EC. Subsequently, EuropeAid undertook a review mission to Cairo (May 2001) and concluded after close consultation with the Egyptian authorities, that a Trade Enhancement initiative with Egypt is best served by the preparation of two independent programme proposals built upon a common analysis: TEP A Technical Assistance (€20m) and TEP-B Budgetary support (€40m). Following a change of GoE policy, a request was made to the Commission (end of 2002) to start the identification of an

additional programme in favour of Customs Reform (TEP C).

MED/2004/006-223- Spinning and Weaving Sector Support - Egypt

Financing Agreement

p. 16

Furthermore, the Government of Egypt has officially adopted a specific strategy for the cotton sector, with the collaboration of GTZ. This strategy covers the main areas of concern for the cotton sector, while linking directly with the needs of the downstream industry, in particular the spinning sector. The Government is now actively working, with GTZ, in the preparation of a comprehensive Action Plan that will further elaborate on the specific commitments, policies and actions that the Government will deploy to ensure the development of an efficient textile industry in Egypt.

Final Evaluation - December 2009

p. 19 (12)

Following the conclusions of the GTZ financed study "Egyptian Cotton Sector Strategy" the Government of Egypt and the EC Delegation considered that the crisis of the spinning and weaving sector was closely related to that of the cotton growing sector.

2.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

Summary:

- Trade Enhancement Programme A (TEP A) is seen as “a tool for the design, development, implementation of the National Export Strategy...” of Egypt
- The Government of Egypt has a specific strategy for the cotton sector (adopted in collaboration with GIZ/GTZ, and the Spinning and Weaving Sector Support Programme builds up on this strategy
- TEP C was initiated by the Government of Egypt by asking the EC for support to the Egyptian customs reform programme, which was based on a blueprint by the IMF

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Mid-Term Evaluation – September 2006

p. 18:

Meetings with the Members of the Programme Executive Committee have highlighted the results oriented stance of the Programme beneficiaries.

It was stressed by the Executive Committee that the TEP-A was seen as a tool for the design, development, implementation of the National Export Strategy to be developed with the sector-specific inputs of the Export Committees. In this context, the overall relevance of TEP-A deliverables were described as consistent

and critical for the expansion of Foreign Trade and Industrial development in Egypt.

The contribution of TEP-A to institution building, within the Public Administration was described as part of the action undertaken by the Minister to reform the MTI 'rapidly and with concrete achievements'. It was considered

that the broad overhaul of the Ministry's staff would be given benchmarks by this programme.
MED/2004/006-223- Spinning and Weaving Sector Support - Egypt
Financing Agreement
<p>p. 16</p> <p>Furthermore, the Government of Egypt has officially adopted a specific strategy for the cotton sector, with the collaboration of GTZ. This strategy covers the main areas of concern for the cotton sector, while linking directly with the needs of the downstream industry, in particular the spinning sector. The Government is now actively working, with GTZ, in the preparation of a comprehensive Action Plan that will further elaborate on the specific commitments, policies and actions that the Government will deploy to ensure the development of an efficient textile industry in Egypt.</p>
Final Evaluation - December 2009
<p>p. 19 (12)</p> <p>Following the conclusions of the GTZ financed study "Egyptian Cotton Sector Strategy" the Government of Egypt and the EC Delegation considered that the crisis of the spinning and weaving sector was closely related to that of the cotton growing sector.</p>
Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)
Final Evaluation – January 2008
<p>p. 12 (5)</p> <p>The initial blueprint for customs reform in Egypt has been outlined in 2002 in a draft document by the International Monetary Fund (IMF). On the basis of this document the GoE initiated a comprehensive customs reform programme. In 5/10/2002 the Ministerial Decree Number 1237 for the Year 2002 was issued for establishing the Customs Reform Unit, and the CRU team was established in Alexandria in the autumn of that year. In 2004 followed Commissioner's Decree number 68 for stipulating himself as the Head of the Customs Reform Unit to boost the reform activities toward the achievement of Reform goals.</p> <p>In this context, the GoE has asked the European Commission to examine the opportunity of providing a further Trade Enhancement Programme (TEP-C), to support the reforms of Egyptian Customs. Other partners, including USAID, have also been invited to support the reform programme, which is since 2004 the subject of on-going support, still based upon the IMF blueprint.</p>

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

2.1.2.2 II.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

Summary:

- The final and mid-term Evaluation of TEP-A indicate a few times, that the programme was

<p>successfully adjusted as a reaction to 1) political changes regarding the Egyptian Government, 2) changes in the export sector of Egypt, and 3) changed priorities of the programme (more inclusion of private sector).</p> <ul style="list-style-type: none"> • The final evaluation of TEP-A also states that there was a long time between programme design and implementation, in which changes occurred. • A ROM report for the Spinning and Weaving Sector Support Programme states that “The project is constantly adapting to external conditions, in particular the price of cotton and the competition on cotton, threads and fabrics from abroad (China, Pakistan).” • ROM report MR-107262.02 for Research, Development and Innovation Programme states “The only major change has been the modification in the implementation of component 3 (monitoring and evaluation system for R&D), which is now more clearly linked to the work already undertaken by the Ministry and has been sub-contracted.”
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Mid-Term Evaluation – September 2006
<p>p. 18:</p> <p>An ad-hoc Meeting, including many Egyptian members of the Steering Committee, agreed on a Ministerial Decision delegating key functions of the SC to a Programme Executive Committee on 19.11.2005. Three justifications were given for this decision of the Minister, backed by Ministerial Decree:</p> <ul style="list-style-type: none"> • The Egyptian Government has undergone pivotal political changes that needed to be reflected rapidly and efficiently in trade related matters that are of key importance to the economy, even at the expense of procedures; • The 'final beneficiaries' of the Programme should have their saying in the way that the Public Administration responds to their needs. Their role in the Executive Committee is therefore meant to guarantee the efficiency and the effectiveness of the Programme ("making best use of the least penny"); • The difficulties met in managing the SC required a more efficient mechanism to respond to daily decision-making requirements of TEP-A..
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Final Evaluation – January 2008
<p>p. 19 (14)</p> <p>The PSU (Programme Support Unit) has adjusted extremely well to the re-orientation of the programme with the introduction of the Executive Committee (ExC) in November 2006 comprising private sector members</p>
<p>p. 42</p> <p>Component 4 – Export Promotion</p> <p>The program has to be adjusted to cope with the changes occurred in the trade sector in Egypt. This was a good sign of the flexibility of the program.</p>
<p>p. 53</p> <p>The long time between programme design and implementation changed the priorities in the Egyptian export sector, i.e. there was a significant change in the export promotion priorities. Trade Points was omitted totally from the programme implementation.</p>
MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt
ROM report MR-010460.01
<p>p. 2</p> <p>The project is constantly adapting to external conditions, in particular the price of cotton and the competition on cotton, threads and fabrics from abroad (China, Pakistan).</p>
Research, Development and Innovation

Sheet "Efficiency"

The only major change has been the modification in the implementation of component 3 (monitoring and evaluation system for R&D), which is now more clearly linked to the work already undertaken by the Ministry and has been sub-contracted.

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

Summary:

- The capacity development components of TEP-A aimed at strengthening existing structures of the partner and their human resources, and they were furthermore in line with the perceived needs of the Egyptian Government

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Mid-Term Evaluation – September 2006

p. 18 / 19:

Meetings with the Programme Long Term Experts were organised with a view to obtain a complete description of TEP-A history and achievements. Discussions highlighted the pivotal importance of tailored capacity-building for the development of counterpart institutions. In particular:

Component I (Commercial Diplomacy) highlighted the extensive pattern of training activities undertaken, covering conventional courses but also including internships within the trade sections of different EU Member Country Embassies in Cairo. It was stressed that the importance of the numerous staff to train in the 55 foreign offices of ECS requested benchmarking but that a precise implementation of the A WPs was achieved;

Component 2: Activities were described as essentially (but not exclusively) targeting a group of 12 civil servants, recruited with university skills but without sufficient professional experience to deliver key tasks related to the implementation of the EEAA. It was expected from the TEP-A that training and coaching (on-the job training) would deliver expected results in the short project duration;

Component 3: is responsive to the needs of the WTO Directorate of the Ministry of Trade that is under heavy pressure to deliver under the State's international undertakings. Difficulties in the start of the programme were being progressively overcome and the A WP2 schedule was respected. Important procurement was still under way for IT within the MTI.

Component 4: Contribution to such diverse mechanisms as those identified for support by the Programme was a difficult challenge for TEP-A mostly because of the changing and sometimes discussed counterpart institutions. While very strong government support to this component has been given, drawing on Best Practices of the European Business Community, diverging interests and different cultural contexts (e.g. for marketing) made results more difficult to achieve with institutions such as EEPC.

Component 5: activities has been delivered as planned in the OWP, the AWPI and AWP2, the procurement of laboratory equipment, as anticipated in A WPI was delayed, and the procurement specifications (specs) modified until early before the evaluation. This delay made

it difficult to achieve the overall intended outputs during the duration of the project. Within the Evaluation period, uncertainty was often seen as an obstacle to efficiency.

2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

2.1.3.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”

Summary:

- The mid-term evaluation of TEP-A states that “the Overall Work Plan includes under each component, indicators of efficiency, i.e. the results to be achieved by each activity, but not the outcome of those results in terms of tangible products developed by theTA/Training recipients to serve the project purpose.”
- For Trade Enhancement Programme A (TEP A), for the following issues, the programme foresaw quantifiable indicators, but the Final Evaluation of the programme stated that none of them could be measured due to the lack of data or due to insufficient definition of the indicators:
 - Exporters establish markets abroad
 - Increased FDI inflow as a result of TEP-A
 - Increased EU-Egypt trade as a result of TEP-A
 - Increased trade flows as a result of the WTO component of TEP-A
 - Increased trade flows as a result of the export promotion component of TEP-A
- A ROM report for TEP B states that a monitoring system to measure the impact of the TEP-B programme was not in place
- Final Evaluation of TEP-C states that “The TEP C programme has also been subject to regular monitoring missions managed by the EC.”
- ROM report MR-107262.01 for Research, Development and Innovation Programme states that the programme has adequate indicators and monitoring system
- ROM report MR-107262.02 for Research, Development and Innovation Programme states that “... (ii) measuring such an effect is extremely difficult, and is certainly not possible with some existing OVI (GDP growth, Egyptian world market share) and hardly easier with the two others (evolution of high tech products in Egyptian exports, R&D innovation expenditures).”

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Mid-Term Evaluation – September 2006

p. 27:

In the same way, the Overall Work Plan includes under each component, indicators of efficiency, i.e. the results to be achieved by each activity, but not the outcome of those results in terms of tangible products developed by theTA/Training recipients to serve the project purpose.

Country Strategy Evaluation 2010

p. 67 (37)

EQ 4 – Economic transition

The documentary analysis of the interventions reviewed evidenced that FA/MoU have generally not identified specific quantified outcome targets to be reached by the interventions (I.4.2.1). The absence of a monitoring system enabling to ensure the followup of the achievements of the interventions constrained the assessment of the expected results.

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B
ROM report MR-102329.01
<p>Sheet "Impact"</p> <p>The general consensus from the beneficiary is that the utilisation of budgetary support was the correct funding modality but that in hindsight a monitoring system should have been addressed to measure the impact of the TEP-B program.</p>
Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)
Final Evaluation – January 2008
p. 22 (15)
The TEP C programme has also been subject to regular monitoring missions managed by the EC.
Research, Development and Innovation
ROM report MR-107262.01
<p>Sheet "Efficiency"</p> <p>PE 2008 defined concrete OVIs which can be clearly verified. All planned results for the first period have been delivered so far.</p> <p>The results of Egyptian Enterprise Innovation Fund grant project implementation will be monitored by a specialized monitoring team to guarantee quality of results in the most important and sensitive Programme Component.</p>
ROM report MR-107262.02
p. 2
<p>There are good longer term prospects for very a very positive impact of the project on the OO, although a significant delay must be expected between the RDI project and its impact on growth and competitiveness and (ii) measuring such an effect is extremely difficult, and is certainly not possible with some existing OVIs (GDP growth, Egyptian world market share) and hardly easier with the two others (evolution of high tech products in Egyptian exports, R&D innovation expenditures).</p>
<p>Sheet "Quality of project design"</p> <p>The OVIs it uses, however, have but a weak correlation with the achievement of the objectives. For the Specific Objectives, it uses "GDP growth" and "Egypt world market share"(for which the correlation with the objectives of the project is very weak, as many other factors contribute to the variation of those OVIs). It also uses the evolution of High tech products in the Egyptian exports (which is only partially valid, as some of the research grants funded by the project are more of the "import substitution" kind) and R&D innovation expenditure (which depends upon many other factors, including the general economic situation). The assumptions do mention the Public Policies on innovation as a risk factor, but do not mention the general state of the economy, which is perhaps more relevant for those high level OVIs.</p> <p>For the Specific Objectives, the source and means of verification are the national and UNESCO statistics. The available UNESCO data as of June 2010 refers to 2007 and thus cannot really reflect on time the success of the project. Another OVI, more immediately available and more clearly correlated with the project, is the number of Egyptian scientists taking part to the FP7. There is no specific figure to be reached, only a general increase is required, which means that, except catastrophic circumstances, they can be met.</p> <p>The expected results are: (i) innovation and technology transfers are enhanced - measured by the products and processes developed as a result of the funding. The result can be achieved, but this OVI is not really suitable, as technology transfer can be achieved even if there is no immediate release of a product or process.</p>

2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

Summary:

- For TEP B, all tranches were released according to the foreseen schedule
- For the Spinning and Weaving Sector Support Programme, the first three tranches were paid in full, but the last tranche was disbursed only up to 14.6 million (out of 19.5 million) due to non-compliance of a few conditions

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

p. 2

Tranche 1 (€19,800,000) was released (Aug 2005) following an EC assessment mission in July 2005 and Tranche II (€19,800,000) was released (April 2006) following another EC assessment mission in Dec 2005 when it was concluded between MoF and EC that all 25 measures had been fully implemented and had been effectively accomplished.

MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt

ROM report MR-010460.01

p. 17 (10)

The Financing Agreement of the SWSSP was signed in October 2004. The period of execution of the SWSSP, originally foreseen to end on 31st December 2007, was extended by one year till the end of 2008. The budget amounted to EUR 80 million (including EUR 2 million for TA), to be disbursed in four equal tranches of EUR 19.5 million, a budget of EUR 2 million being set aside for financing Technical Assistance. The first three tranches were paid in full. The last tranche was disbursed only up to EUR 14.6 million because of the non-compliance of two conditions under component A (3.3 and 3.4), and of one condition under component B (7.3) (see § 1.1 below).

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

Summary: <ul style="list-style-type: none">•
MED/2003/004-150 - Trade Enhancement Programme B, TEP-B
ROM report MR-102329.01
Sheet "Relevance" Another weakness was that under a BSP, a cost-benefit analysis should have been conducted prior to implementation of the program and this did not happen.

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

Summary: <ul style="list-style-type: none">• The Final evaluation of TEP-A states that there have been a few instances (component 1 and 4) where the absorption capacity of the beneficiaries did not meet the expectations, and that such discrepancies explain to a great extent the shortcomings in these areas• On a more general level, the CSE states that "... the financing modalities and implementation mechanisms were generally found appropriate to the objectives pursued"• A ROM report for TEP-B states that "The general consensus from the beneficiary is that the utilisation of budgetary support was the correct funding modality,..."• The Final evaluation of the Spinning and Weaving Sector Support states that "Sector Policy Support Programmes are supposed to provide funds to the government in exchange for a set of specific reforms. But there is not supposed to be a direct link between disbursement and the cost of activities. In reality the Egyptian beneficiaries see disbursements as direct subsidies to specific activities. More precisely, and although this was contrary to the spirit of the programme, it seems that programme resources were assigned from the start to the Holding Company which used them discretionally for the implementation of previously established plans."• Final Evaluation of TEP-C: "Furthermore, the National Customs Training Institute NCTI in Egypt has not had enough absorption capacity to benefit to a maximum of the activities provided during the implementation period of the TEP C."• Furthermore, Final Evaluation of TEP-C states that "However, the contractor has not been able to successfully manage the procurement process for the IT equipment. It might have been advisable to fund the entire equipment part through a tranche of the budgetary support programme TEP B. This would have allowed to fully applying GoE procurement rules and regulations, thus expediting the process."
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Final Evaluation – January 2008
p. 51 (46)

In order fairly apportion the origin of strengths and weaknesses of each component, the evaluation looked at the beneficiaries' absorption capacities, notably in the light of what was expected in the inception report. The actual involvement of each stakeholder is compared to what was initially expected and some discrepancies appear that explain to a great extent the under performance of some components (see Appendix XXXIV).

p. 52

For the Lot 2. i.e. components 1 and 4, the absorption capacity of the beneficiaries did not match the expectations. The long time between programme design and implementation changed the priorities in the Egyptian export sector, i.e. there was a significant change in the export promotion priorities. Trade Points was omitted totally from the programme implementation. The involvement of GOIEF and EEPIC was not as expected. The benefits of ECS from TEP-A were at medium level, it could obtain more especially in the representation offices outside Egypt. IT and Export Councils absorbed the most benefits from TEP-A; i.e, they were the most successful parts of TEP-A.

...

The above analysis confirms that the absorption capacity of the beneficiaries played a crucial role in the relative success (or failure) of such or such activity and that – as confessed by the beneficiary – the shortcomings recorded in some areas actually reflects the weaknesses of the concerned TBCPs.

Country Strategy Evaluation 2010

p. 18 (iv)

With regards to the efficiency of the Commission's support (EQ8), financing modalities and implementation mechanisms were generally found appropriate to the objectives pursued; using a mix of these modalities and mechanisms within a same project introduced a flexibility and adaptability much welcomed to increase project effectiveness.

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

Sheet "Impact"

The general consensus from the beneficiary is that the utilisation of budgetary support was the correct funding modality but that in hindsight a monitoring system should have been addressed to measure the impact of the TEP-B program.

MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt

Final Evaluation - December 2009

p. 38 (31)

In spite of the above, the sector budget support was relevant and adequate for helping the Government to achieve some objectives for the spinning and weaving sector. Specifically, remarkable results were achieved under Component C (see § 2.3 below). However, it seems that beneficiary institutions did not fully understand the concept of budget support programmes.

...

Sector Policy Support Programmes are supposed to provide funds to the government in exchange for a set of specific reforms. But there is not supposed to be a direct link between disbursement and the cost of activities. In reality the Egyptian beneficiaries see disbursements as direct subsidies to specific activities. More precisely, and although this was contrary to the spirit of the programme, it seems that programme resources were assigned from the start to the Holding Company which used them discretionally for the implementation of previously

established plans.

...

Our interlocutors at the Ministry of Agriculture (see list of persons met in Appendix 1) complain that they have not received any funds under the SWSSP. This again stems from a misinterpretation of the SPSP mechanism.

Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)

Final Evaluation – January 2008

p. 30 (23)

Furthermore, the National Customs Training Institute NCTI in Egypt has not had enough absorption capacity to benefit to a maximum of the activities provided during the implementation period of the TEP C. In fact, the entire series of training programmes organised and funded by the TEP C could not be used to the training-of-trainers, as neither the training facilities, nor the quality of the personnel have been sufficient for the NCTI to play a major role in the implementation of the training programme.

p. 31 (24)

However, the contractor has not been able to successfully manage the procurement process for the IT equipment. It might have been advisable to fund the entire equipment part through a tranche of the budgetary support programme TEP B. This would have allowed to fully applying GoE procurement rules and regulations, thus expediting the process.

2.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

Summary:

- One ROM report for for TEP-B states that “It is difficult to measure the efficiency of implementation but it must be stated that in the absence of a resource schedule, the reforms would not have taken place if resources were not made available by the participating institutions. The measures must therefore be viewed as indicative activities to be carried out within the broader government reform process. The TEP-B program was understood to be supporting a political dimension which had more to do with achieving macro economic indicators rather than at the micro level of program implementation. The MoF stated that in their view a key factor contributing to the success of the program was that they were in a position to finance any additional activities required and to purchase equipment without have to conform to EC tendering procedures.”
- Furthermore, in this ROM for TEP-B, there is the statement: “The project manager is recommended to advise the EC Services that (i) BSPs are a very useful tool for trade facilitation to MEDA countries and should continue;“
- The final evaluation of the Spinning and Weaving Sector Support states that “... the sector budget support was relevant and adequate for helping the Government to achieve some objectives for the spinning and weaving sector. Specifically, remarkable results were achieved under Component C (see § 2.3 below). However, it seems that beneficiary institutions did not fully understand the concept of budget support programmes.”

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

p. 2

It is difficult to measure the efficiency of implementation but it must be stated that in the absence of a resource

schedule, the reforms would not have taken place if resources were not made available by the participating institutions. The measures must therefore be viewed as indicative activities to be carried out within the broader government reform process. The TEP-B program was understood to be supporting a political dimension which had more to do with achieving macro economic indicators rather than at the micro level of program implementation. The MoF stated that in their view a key factor contributing to the success of the program was that they were in a position to finance any additional activities required and to purchase equipment without have to conform to EC tendering procedures.

p. 4

The project manager is recommended to advise the EC Services that (i) BSPs are a very useful tool for trade facilitation to MEDA countries and should continue;

MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt

Final Evaluation - December 2009

p. 38 (31)

In spite of the above, the sector budget support was relevant and adequate for helping the Government to achieve some objectives for the spinning and weaving sector. Specifically, remarkable results were achieved under Component C (see § 2.3 below). However, it seems that beneficiary institutions did not fully understand the concept of budget support programmes.

...

Sector Policy Support Programmes are supposed to provide funds to the government in exchange for a set of specific reforms. But there is not supposed to be a direct link between disbursement and the cost of activities. In reality the Egyptian beneficiaries see disbursements as direct subsidies to specific activities. More precisely, and although this was contrary to the spirit of the programme, it seems that programme resources were assigned from the start to the Holding Company which used them discretionally for the implementation of previously established plans.

...

Our interlocutors at the Ministry of Agriculture (see list of persons met in Appendix 1) complain that they have not received any funds under the SWSSP. This again stems from a misinterpretation of the SPSP mechanism.

2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

Summary:

- CSE states that: “SBS is thus based entirely on Government-led reform strategies. Disbursement in Egypt was linked exclusively to a set of (policy-based) process indicators, not to outcome indicators.”
- According to the ROM reports for TEP-B, “... there was no monitoring of the activities carried out during its life-cycle”, and “Regular monitoring of the program should also be built into the program design.” Furthermore, the ROM report states that “The SFA was insubstantial as it did not contain a LFM which would identify OVI associated to expected results as is the practice required in EC PCM. The actions listed in the Matrix of Conditionality, (derived from the SFA), were not linked to any results nor was there any monitoring of TEP-B results (mid term or otherwise).”
- The final evaluation of the Spinning and Weaving Sector Support states that the matrix of conditionalities revealed some shortcomings.

Country Strategy Evaluation 2010

p. 88 (58)

SBS is thus based entirely on Government-led reform strategies. Disbursement in Egypt was linked exclusively to a set of (policy-based) process indicators, not to outcome indicators.

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

p. 2

Tranche 1 (€19,800,000) was released (Aug 2005) following an EC assessment mission in July 2005 and Tranche II (€19,800,000) was released (April 2006) following another EC assessment mission in Dec 2005 when it was concluded between MoF and EC that all 25 measures had been fully implemented and had been effectively accomplished.

...

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

Sheet "Relevance"

Regular monitoring of the program should also be built into the program design.

Sheet "Efficiency"

... there was no monitoring of the activities carried out during its life-cycle

The SFA was insubstantial as it did not contain a LFM which would identify OVI's associated to expected results as is the practice required in EC PCM. The actions listed in the Matrix of Conditionality, (derived from the SFA), were not linked to any results nor was there any monitoring of TEP-B results (mid term or otherwise). It is understood that these lessons have been included in subsequent FA of BSPs.

Sheet "Impact"

An unplanned negative effect encountered was the lengthy delay in the release of Tranche 1. This meant that the GoE and other donors supported the start of the reform process and also the activities identified in the MC.

MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt

Final Evaluation - December 2009

p. 37 (30)

The Matrix of conditionality attached to the Financing Agreement of the SWSSP is shown in Appendix 3. It should probably be mentioned here that in 2004 the experience of using this newly introduced tool was limited. Furthermore, Sector Policy Support Programmes were also a new instrument. The combination of these two factors probably explains why the Matrix could have been better formulated. The main shortcomings of the Matrix are as follows:

- The Specific Objective "to create a modern market driven, competitive spinning and weaving sector, capable of generating jobs and employment opportunities" is over ambitious, unrealistic and therefore ineffective.
- Some of the twelve components lack precision. Others simply repeat others (for instance "sale of assets" in 6 is redundant with "sale of excess real estate" in 8).
- More important, most Indicators are not objectively verifiable as they are supposed to be. Most of them rely on reports from the beneficiary.

2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

Summary:

- CSE states that: “Because a majority of SBS disbursement triggers related to measures already owned by GoE or at least discussed with GoE, **the ownership of reforms** and thus their likelihood of success are good.”

Country Strategy Evaluation 2010

p. 88 (58)

Because a majority of SBS disbursement triggers related to measures already owned by GoE or at least discussed with GoE, the ownership of reforms and thus their likelihood of success are good.

2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

Summary:

- EAMR 2005 sees improvement in policy dialogue. Furthermore, sectorial operations set the pace and framework for reforms.

EAMR Report 2005

Page 2

This development fitted well with the orientations of the new Government of Ahmed Nazif nominated in July 2004. The Government rapidly developed and implemented an agenda of mainly economic reforms, which was very much in line with the conditionality of our operations. This facilitated the implementation of the budgetary support programmes and allowed the Delegation to engage into a high level dialogue with the authorities, thus increasing EU visibility into key economic reform areas such as business environment (through IMP-BS), financial sector reform (IMP-BS, but also FISC-financial), **customs reform (TEP-B), textiles sector restructuring (Spinning and Weaving).**

Page 2

In particular, our sectorial operations like **TEP-B, Spinning and Weaving**, and more recently Water Sector Reform Programme are currently used by the authorities and other donors as roadmaps of crucial reforms in the customs, textiles and water sectors, respectively, setting the sequence and pace of the reform process.

Page 2

For example, the conditionality of the **Spinning and Weaving budgetary support (€ 80m)** provides the framework for the on-going reform of the textiles industry and particularly for the restructuring/privatisation of Egypt’s huge spinning and weaving industry.

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

Summary:

- The final evaluation of the Spinning and Weaving Sector Support Programme states several times that the Technical Assistance component (project approach)

<p>which accompanied the budget support was well adapted, rightly used, effective and contributed to the overall success</p>
<p>MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt</p>
<p>Final Evaluation - December 2009</p>
<p>p. 37 (30)</p> <p>The Technical Assistance (TA) budget included in the SWSSP was rightly used to finance expertise under Components B and C. In both cases TA was well adapted to the needs of the HC. The TA brought to Labour Pools has been particularly effective (see § 2.3 below). TA was also provided to the MALR for the design of a strategy for the cotton sector.</p> <p>Unfortunately, although the MALR approved such strategy, it did not request additional TA support for implementing it.</p>
<p>p. 38 (31)</p> <p>Euro 2 million were spent on well-regarded TA inputs.</p>
<p>p. 39 (32)</p> <p>About project TA to support component 3:</p> <p>Expertise provided under the Technical Assistance budget of the SWSSP was an essential factor for the success of the Labour Pools. The European experts were highly appreciated by all the parties involved.</p>

2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

2.3 EQ 3 - To what extent has the Commission's TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

Summary:

- The EU-Egypt Association Agreement (EEAA), signed in 2001 and put into force in 2004, entails a bilateral free trade agreement. Its implementation was directly supported by component 2 of the Trade Enhancement Programme A. Furthermore, the whole Commission's cooperation strategy was highly relevant to the realization of the EEAA, and thus to the objectives of the Barcelona Declaration and the European Community (EC) Treaty
- The Country Strategy Evaluation states that "TEP-A referred to the common umbrella established by the IMP which focused on the capacity building of Egyptian enterprises to increase their competitiveness whereas TEP-A focused on the capacity building of the GoE to provide the services required by private enterprises to export", however, it also states that "Complementarities were generally not foreseen in the design of bilateral interventions, and, when foreseen, they were not clearly spelled out. At implementation stage, complementarities between bilateral interventions were the result of ad hoc initiatives."
- A ROM report for TEP B states that "The project is consistent with EC priorities and the EU-Egypt Association Agreement established a bilateral trade agreement based on reciprocal liberalisation for both industry and agriculture."
- The Final Evaluation of the Spinning and Weaving Sector Support Programme states that "The support delivered to Egypt by the EU would also play a key role in further facilitating the adaptation of the Egyptian industry to the challenges and opportunities presented by the entry into force of the EU-Egypt Association Agreement."
- The final evaluation of the Trade Enhancement Programme C (TEP-C) "The TEP C programme is part of a large effort led and funded by the European Commission to assist the Government of Egypt with implementation of the Egypt Europe Association Agreement (the EEAA)."
- According to the final evaluation of TEP C, the three programmes TEP-A, TEP-B and TEP C produced substantial synergies: "These three projects have to be seen in a complementary way and are supposed to having produced substantial synergies during their implementation."

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Final Evaluation – January 2008

Component 2 – EU-Egypt Association Agreement

Estimated budget: 2 800 000 €

At the core of EU trade policy, the Association Agreement will be the main focus of the second component. This component will support MoFf's relevant entities/Agencies responsible for the EU Association Agreement, to better manage and co-ordinate implementation and information dissemination amongst interested parties (private and public sectors). Activities will include high-level policy assistance for EU Association trade-related tasks, such as reviewing legislation and preparing policy papers. In addition, assistance for implementation of the trade-related aspects of the Association Agreement will be provided. Activities will include personnel training- with involvement of both the public and the private sectors - to raise awareness at the opportunities offered by the further participation of Egypt in the EU trade framework. Activities will also include the provision of information technologies, office equipment and basic reference/documentation material to further the capacity of the MoFT to deal with the Association Agreement.

Country Strategy Evaluation

p. i

Under the EMP, the **EU-Egypt Association Agreement** (EAAA) was signed in 2001 and entered into force in 2004. For trade, it aims to establish a bilateral Free Trade Agreement (FTA) based on reciprocal tariff liberalisation (including removal of quantitative restrictions and equivalent non tariff measures) for both industry and agriculture. The Agreement further includes provisions for the supply of services, payments and capital movements, intellectual property rights and public procurement.

p. ii

Commission's cooperation strategy with Egypt was found to be highly relevant to the realization of the EU-Egypt Agreements' objectives (Association Agreement and Action Plan) and thus to the objectives of the Barcelona Declaration and the European Community (EC) Treaty.

p. 56 (26)

Complementarities were generally not foreseen in the design of bilateral interventions, and, when foreseen, they were not clearly spelled out. At implementation stage, complementarities between bilateral interventions were the result of ad hoc initiatives.

...

TEP-A referred to the common umbrella established by the IMP which focused on the capacity building of Egyptian enterprises to increase their competitiveness whereas TEP-A focused on the capacity building of the GoE to provide the services required by private enterprises to export;

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

p. 2

The project is consistent with EC priorities and the EU-Egypt Association Agreement established a bilateral trade agreement based on reciprocal liberalisation for both industry and agriculture. Egypt benefits from preferential access to the EU markets, through the Pan-Arab FTA, COMESA, Agadir nations and through the FTA with Turkey.

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

Sheet "Relevance"

The project is consistent with EC priorities and the EU-Egypt Association Agreement.

MED/2004/006-223- Spinning and Weaving Sector Support - Egypt

Financing Agreement

p. 17

The support delivered to Egypt by the EU would also play a key role in further facilitating the adaptation of the Egyptian industry to the challenges and opportunities presented by the entry into force of the EU-Egypt Association Agreement.

Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)

Final Evaluation – January 2008

p. 8 (1)

The TEP C programme is part of a large effort led and funded by the European Commission to assist the Government of Egypt with implementation of the Egypt Europe Association Agreement (the EEA).

...

The Commissions commitment is demonstrated by its support fostering trade liberalisation through a substantial Trade Enhancement Programme comprising three specific projects:

□ The TEP A is a 20 million euro Technical Assistance programme ending in 2007. It aimed at increasing the capacity of the Ministry of Trade and Industry (MTI) to provide support and facilities to exporters and other operators engaged in foreign trade and to foreign businessmen wishing to invest in Egypt.

□ The TEP B was a 40 million euro Structural Adjustment Facility, which ended in 2006.

□ The TEP-C is a 6 million euro Technical Assistance programme ending in 2007.

These three projects have to be seen in a complementary way and are supposed to having produced substantial synergies during their implementation.

2.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

Summary:

- Not long after the start of TEP-A, efforts were made to better include the private sector in the decision-making process for provision of project activities.
- The mid-term evaluation of TEP-A states that the “active and institutional involvement of the Private sector” seems to be one of the key success factors of the implementation of TEP-A, but also recommends: “the interaction between the Public Sector and the 'Productive Sector' (in the sense adopted by the ACP) should be built in the Programme organisation and methods, as a pilot structure for improved governance.”
- A ROM report for TEP B states that “The trade community as end beneficiaries were not involved at the initial design phase and if they had been, the measures identified in the MC could have been prioritised in line with achieving the OO of the program in a more effective way.”
- The final evaluation of TEP-C states that the Steering Committee for TEP-C comprised at least one representative by the private sector. “However, the TEP C Steering Committee did not have regular sessions and did not sojourn in the required rhythm to effectively overview and steer the programme.”
- ROM report MR-107262.01 for Research, Development and Innovation (RDI) Programme states “The private sector is fully involved in the RDI process and represented in the new Higher Council for Science and Technology.”

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Mid-Term Evaluation – September 2006

p. 39:

The Key success factors for the implementation of TEP-A seem to have been (1) flexibility, the (2) close monitoring of results achieved, **(3) active and institutional involvement of the Private sector, ...**

p. 43

Recommendation for a second phase of the programme:

Furthermore, the interaction between the Public Sector and the 'Productive Sector' (in the sense adopted by the ACP) should be built in the Programme organisation and methods, as a pilot structure for improved governance.

Trade Enhancement Programme A

ROM report MR-010287.01

p. 1

A Ministerial Decree was issued on 20 Nov 05 with the establishment of an Executive Committee (ExC) where the Government gave priority to the involvement of the Private Sector in the decision-making process for provision of project activities (TA, study tours, procurement and budgetary support) of TEP-A.

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

Sheet "Relevance"

The trade community as end beneficiaries were not involved at the initial design phase and if they had been, the measures identified in the MC could have been prioritised in line with achieving the OO of the program in a more effective way.

Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)

Final Evaluation – January 2008

p. 20 (13)

Members of the Steering Committee (SC) are the Commissioner of Customs, the Advisor to the Minister of Finance, the Deputy Director of the CRU and the Head of Section Operations for the Delegation of the European Commission (with an observer status, as usual), completed by at least one representative of the private sector. However, the TEP C Steering Committee did not have regular sessions and did not sojourn in the required rhythm to effectively overview and steer the programme.

Research, Development and Innovation

ROM report MR-107262.01

Sheet "Potential Sustainability"

The private sector is fully involved in the RDI process and represented in the new Higher Council for Science and Technology.

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

Summary:

- Final Evaluation of TEP-A states that "There has been a good co-operation with other donor projects, such as the GTZ project related to the support of the food sector in Egypt."
- The final Evaluation of the Spinning and Weaving Sector Support Programme (SWSSP) describes that the programme was build upon a strategy for the cotton sector which was originally elaborated by the Egyptian Government in cooperation with GIZ. But the final evaluation also states that "It is also clear that at the time when the programme was designed, the MALR (Ministry for Agriculture and Land Reclaim of Egypt) did not have a clear policy regarding the cotton sector. The GTZ action plan being accepted by the MALR, the EC Delegation relied on it for designing the SWSSP. The SWSSP was to be implemented in close coordination with German bilateral aid which, unfortunately, withdrew unexpectedly its intended support to the cotton sector. No other donor showed interest in funding assistance to the cotton sector alongside with the EC. In general terms, donors coordination was deficient when designing the SWSSP."
- ROM report MR-107262.02 for Research, Development and Innovation Programme states "The project also closely coordinates its action with other initiatives in the field of R&D: the Egyptian

<p>R&D programmes, of course (STDF ITIDA, mentioned above), EU funding, as planned within the project design (FP7), but also other funding and networking schemes (DAAB for Germany, British Council).”</p> <ul style="list-style-type: none"> - EAMRs furthermore mention coordination between EU Delegation and member states
<p>MED/2002/003-396 - Trade Enhancement Programme A (TEP A)</p>
<p>Final Evaluation – January 2008</p>
<p>p. 10</p> <p>The good coordination with other donors active in the fields concerned by the programme facilitated the legibility of the programme’s activities and coordination during implementation.</p>
<p>p. 41 (31)</p> <p>Component 4 – Trade Promotion</p> <p>There has been a good co-operation with other donor projects, such as the GTZ project related to the support of the food sector in Egypt. The project has also an impact on changes in the policy of the government related to Export Promotion and on the legal framework.</p>
<p>MED/2004/006-223- Spinning and Weaving Sector Support - Egypt</p>
<p>Financing Agreement</p>
<p>p. 16</p> <p>Furthermore, the Government of Egypt has officially adopted a specific strategy for the cotton sector, with the collaboration of GTZ. This strategy covers the main areas of concern for the cotton sector, while linking directly with the needs of the downstream industry, in particular the spinning sector. The Government is now actively working, with GTZ, in the preparation of a comprehensive Action Plan that will further elaborate on the specific commitments, policies and actions that the Government will deploy to ensure the development of an efficient textile industry in Egypt.</p>
<p>Final Evaluation - December 2009</p>
<p>p. 19 (12)</p> <p>Following the conclusions of the GTZ financed study "Egyptian Cotton Sector Strategy" the Government of Egypt and the EC Delegation considered that the crisis of the spinning and weaving sector was closely related to that of the cotton growing sector.</p>
<p>p. 35 (28)</p> <p>To a large extent, the Government's strategy under a) was in line with the recommendations and action plan included in the Egyptian Cotton Sector Strategy Action Plan that had been developed by GTZ under a bilateral aid programme financed by Germany. The GTZ Action Plan was centred on the idea that the basis for a strong textile sector in Egypt was the exceptional quality and reputation of its cotton.</p> <p>...</p> <p>When this Action Plan was issued in 2005, it was clearly the intention of Germany's bilateral cooperation arm to continue supporting the Egyptian SW sector and to implement the Plan in close cooperation with the EC. Unfortunately, the German bilateral cooperation abandoned their initial intention.</p>
<p>p. 36 (29)</p>

It is also clear that at the time when the programme was designed, the MALR did not have a clear policy regarding the cotton sector. The GTZ action plan being accepted by the MALR, the EC Delegation relied on it for designing the SWSSP. The SWSSP was to be implemented in close coordination with German bilateral aid which, unfortunately, withdrew unexpectedly its intended support to the cotton sector. No other donor showed interest in funding assistance to the cotton sector alongside with the EC. **In general terms, donors coordination was deficient when designing the SWSSP.**

Research, Development and Innovation

ROM report MR-107262.02

Sheet "Efficiency"

The project also closely coordinates its action with other initiatives in the field of R&D: the Egyptian R&D programmes, of course (STDF ITIDA, mentioned above), EU funding, as planned within the project design (FP7), but also other funding and networking schemes (DAAB for Germany, British Council).

EAMR 2005

The Delegation further pursued its role in the EU Development Counsellors Group. The Group was kept informed of developments in EC's cooperation portfolio and new developments with respect to the 2005-06 NIP.

The Delegation consistently informed Member States of all prepared projects at end of identification and formulation phases. This has been particularly the case with the Water Sector Reform Project (€ 80m) for which special information meetings were organised for DE and NE who have expressed a particular interest since they are involved in the sector.

Summary:

- EAMR 2006 mentions coordination mechanisms

EAMR 2005

The EC coordinates closely with other donors in the context of the monthly meetings of the Donor Assistance Group (DAG) and its nine thematic subgroups. The Delegation held the chair of the main group until end 2006 and co-chairs in two of its subgroups. Furthermore the Delegation regularly coordinates with Member States in the context of the bi-monthly meetings of the EU Development Counsellors and also on the occasion of identification and formulation missions.

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Summary:

- Mid-term evaluation and final evaluation state that there was appropriate coordination and cooperation with other donors (especially USAID) and that the programme even complemented the interventions of other donors
- Rom report for TEP B states that "USAID were also providing Assistance for Customs and Trade Facilitation and there was excellent dialogue developed between TEP-C in order to ensure that no duplication of activities occurred."
- The final evaluation of the SWSSP states that "In general terms, donors coordination was

<p>deficient when designing the SWSSP.”</p> <ul style="list-style-type: none"> • ROM report MR-107262.02 for Research, Development and Innovation Programme states “...but donor coordination is one of the core motivations of the project (in particular the "focal points", which give the Egyptian scientist a better view of the whole array of available research funding and, even more critically, increase the networking between European and Egyptian projects and persons).”
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Mid-Term Evaluation – September 2006
<p>p. 27:</p> <p>About Efficiency of “Action of the Programme Support Unit (PSU) and decision-making mechanisms “:</p> <p>In March 2005 a proposal for coordination and cooperation between the Trade Enhancement Programme of the European Union and the Assistance for Trade Reforms of the United States summarised work plans for the coming year and more. This initiative, and others, delivered appropriate coordination with other donor institutions.</p>
Final Evaluation – January 2008
<p>p. 10</p> <p>The good coordination with other donors active in the fields concerned by the programme facilitated the legibility of the programme’s activities and coordination during implementation.</p>
<p>p. 14</p> <p>The EC Programmes complement trade initiatives by other international partners, such as the USAID-funded “Assistance for Trade Reform” programme (replace now by TAPR II) and Japanese support for the Foreign Trade Training Centre (FTTC) in Cairo. TEP-A also establish synergies with the EC-funded Egypt Industrial Modernisation Programme (IMP), which becomes now the Industrial Modernisation Centre to encourage exports by Egyptian SMEs.</p>
MED/2003/004-150 - Trade Enhancement Programme B, TEP-B
ROM report MR-102329.01
<p>Sheet “Relevance”</p> <p>USAID were also providing Assistance for Customs and Trade Facilitation and there was excellent dialogue developed between TEP-C in order to ensure that no duplication of activities occurred.</p>
MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt
Final Evaluation - December 2009
<p>p. 36 (29)</p> <p>It is also clear that at the time when the programme was designed, the MALR did not have a clear policy regarding the cotton sector. The GTZ action plan being accepted by the MALR, the EC Delegation relied on it for designing the SWSSP. The SWSSP was to be implemented in close coordination with German bilateral aid which, unfortunately, withdrew unexpectedly its intended support to the cotton sector. No other donor showed interest in funding assistance to the cotton sector alongside with the EC. In general terms, donors coordination was deficient when designing the SWSSP.</p>
Research, Development and Innovation
ROM report MR-107262.02

Sheet "Quality of project design"

Environment is one of the priority sectors listed in the guidelines for project application. Gender and human rights are absent from the design, but donor coordination is one of the core motivations of the project (in particular the "focal points", which give the Egyptian scientist a better view of the whole array of available research funding and, even more critically, increase the networking between European and Egyptian projects and persons).

2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)

Summary:

- Final Evaluation of TEP-C states that "The project worked in tandem with the USAID TAPR II and the Swiss aid Programmes." And that "Inter donor co-operation avoided duplicity." Hence there was a high complementarity to USAID and Swiss AID programmes
- EAMR 2005 mentions "In 2005, the Delegation further strengthened its role in the Donor Assistance Group (DAG) which comprises all major multilateral and bilateral donors in Egypt (USAID, WB, IMF, UN and its agencies, Japan, Switzerland etc). The Delegation was elected chair of DAG's main group for 2005-06 and already chairs two out of nine thematic sub-groups."
- EAMR 2006 mentions coordination mechanisms
- Other EAMRs also mention coordination mechanisms

Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)

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p. 5 (v)

The project worked in tandem with the USAID TAPR II and the Swiss aid Programmes. The USAID dealt with Outfield and HQ issues not within the scope of TEP-C and Swiss aid with the Development of the Training institute and train the trainer's events.

Inter donor co-operation avoided duplicity. This is the reason for TEP-C having additional funds for Intel and Swiss aid taking on board the tech-the-trainers (TTT) events.

p. 12 (5)

The TEP-C programme, for which the active design phase was started in 2003, is complementary to other donors initiatives and particularly with the USAID-funded "Assistance for Customs and Trade Facilitation" (ACTF) project.

EAMR Report 2005

Page 2

In 2005, the Delegation further strengthened its role in the Donor Assistance Group (DAG) which comprises all major multilateral and bilateral donors in Egypt (USAID, WB, IMF, UN and its agencies, Japan, Switzerland etc). The Delegation was elected chair of DAG's main group for 2005-06 and already chairs two out of nine thematic sub-groups.

EAMR 2006

The EC coordinates closely with other donors in the context of the monthly meetings of the Donor Assistance Group (DAG) and its nine thematic subgroups. The Delegation held the chair of the main group until end 2006 and co-chairs in two of its subgroups. Furthermore the Delegation regularly

coordinates with Member States in the context of the bi-monthly meetings of the EU Development Counsellors and also on the occasion of identification and formulation missions.

EAMR 2007

Coordination with other donors has been pursued in the context of the Donor Assistance Group (DAG) in which all major donors are represented. The DAG has a main group and nine thematic sub-groups. The Commission is active in all of them.

Coordination with Member States is carried out in the meetings of the EU Development Counsellors (three meetings per semester).

EAMR 2008

The Delegation is regularly attending the Development Partners Group's meetings which aim at enhancing synergies and boost co-operation amongst the donor community in Egypt. The Delegation, together with the World Bank, USAid, UN, has certainly a leading role. All the task managers are participating in DPG's sector sub-committees as appropriate. Three of the sub-groups are cochaired by us (Water, Education, Human Rights and Good Governance). EU Member States are updated in real time about progress and achievement by the European Commission. Bilateral meetings are also organised as there is tangible increasing interest by the EU Member States to move along the same line drawn by the European Commission in addition to the EU Development Counsellors' meetings organised by the Presidency every two months. Regular meetings are also organised with the Arab League and civil society (for the latter at least three round tables every year).

EAMR 2009

The Commission's Delegation in Cairo continues to play a key role in donor coordination. The Delegation co-chairs several of the Development Partners Group's (DPG) thematic subgroups (on transport, good governance and water/agriculture).

In addition to this, the coordination of implementation of assistance programmes between the EC and EU Member States is ensured through regular meetings of Development Counsellors in Cairo and joint projects with MS are encouraged. The Commission in Egypt has been a pioneer in the co-financing of projects with EMS in the energy and water sector.

2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries

Summary:

- EAMR 2005 mentions "...common effort to formulate a consensus on the needed reforms in education." Between EC, WB and USAID

EAMR 2005

The EC (Delegation), the WB and the USAID met repeatedly in the second half of 2005 in their common effort to formulate a consensus on the needed reforms in education. In this respect, the common reflection has indicated the urgent need for the authorities to develop an overall framework for reform in primary, secondary and tertiary education as well as vocational training and the articulation among them. The three donors (by far the largest in the sector) intend to pursue the dialogue jointly with the authorities in early 2006.

2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

Summary:

- Regarding the Government of Egypt, the CSE states that “...while its desire to receive support in some areas where it felt the Commission to have a comparative advantage remained unanswered.” Furthermore “...: beneficiaries reported that overall cooperation priorities were indeed appropriate to the objectives of the EU-Egypt agreements but regretted that some of the priorities identified at sector level had not received a hearing in the programming exercise, especially when they could only be tackled by the Commission because they concerned EU market access matters.”

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p. 51 (21)

Indeed whilst being consulted in the process, the GoE’s influence on the outcome remained small, being limited to more minor aspects (such as the amounts, the implementation modalities, the scope, etc.) while its desire to receive support in some areas where it felt the Commission to have a comparative advantage remained unanswered. Examples include support to trade facilitation or to human resource development, including technical knowhow, training, transfer of knowledge and science and technology, for which the Commission has potential value added and could step up its current support.

p. 54 (24)

Similarly, the participatory approach to identifying interventions to be considered for Commission funding within sectors of cooperation has shown limitations: beneficiaries reported that overall cooperation priorities were indeed appropriate to the objectives of the EU-Egypt agreements but regretted that some of the priorities identified at sector level had not received a hearing in the programming exercise, especially when they could only be tackled by the Commission because they concerned EU market access matters.

2.4 EQ 4 - To what extent has the Commission's support contributed to an improved trade policy environment at national level?

Summary:

- The Country Strategy Evaluation states that the TRA interventions have contributed to trade facilitation, the public administration's capacity to harmonize legislation and regulations with international and particularly EU frameworks, to improved trade policy formulation, trade promotion, capacity building of the customs authority and decrease in trade barriers and in non tariff measures

Country Strategy Evaluation 2010

p. 70 (40)

Commission's interventions have contributed to trade facilitation but trade restrictions are still important and the sustainability of the support is questioned.

Contribution to the reinforcement of the public administration's capacity to harmonise legislation and regulations with international and particularly EU frameworks through TEP-A and C. TEP-A provided technical assistance (i) to the Trade Agreement Sector department which is in charge of implementing and coordinating the implementation of trade-related aspects of the AA (ii) to the staff of the Ministry of Trade and Industry for trade policy formulation, and (iii) to the staff of the Egyptian export promotion entities. TEP-C contributed to the upgrading of the Egyptian Customs Authority senior and middle management skills through training and mentoring.

□ Contribution to the decrease in trade barriers and in non tariff measures through TEPB, in particular improvement of customs services, exemption of all imports earmarked for free zones from all inspection at ports, improvements of standards and control services, and expansion of export promotion schemes.

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

2.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

Summary:

- For TEP-B: “Public/private dialogue has been established as private sector has been included in discussions contributing to legislative revisions.” , and furthermore, “Public/private dialogue has been established as the private sector have been involved in contributing to policy development”

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

p. 3

Public/private dialogue has been established as private sector has been included in discussions contributing to legislative revisions.

Sheet "Efficiency"

Public/private dialogue has been established as the private sector have been involved in contributing to policy development e.g. recent laws affecting the trading sector includes Unified Tax Law (Law 91/2005), the Trade Law (Law 17/91/1999) were fully implemented in 2005, the Customs Tariffs (Presidential decree 39/2007) has been implemented and the Customs Law (Ministerial decree 10/2006) will be put before Parliament in Jan 2009.

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

Summary:

- TEP-A: "The Inception phase of the Programme is also described as starting with a needs analysis consisting of the following: institutional analysis, sector analysis and a gap analysis with European best practices. This could be considered "the" baseline upon which the objectives for each activity were updated together with the respective Technical Beneficiary Counterpart (TBCP) and the MFTI."

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Mid-Term Evaluation – September 2006

p. 26:

The Inception phase of the Programme is also described as starting with a needs analysis consisting of the following: institutional analysis, sector analysis and a

gap analysis with European best practices. This could be considered "the" baseline upon which the objectives for each activity were updated together with the respective Technical Beneficiary Counterpart (TBCP) and the MFTI.

2.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

Summary:

- The final evaluation of TEP-A states improved capacities of Egyptian Ministry of Trade and its EU-Egypt Association Agreement Unit. Furthermore, the newly created Competition Authority was supported by the Commission, and the Commission-supported Consumer Protection Authority is now well known.
BUT the evaluation also states: "It was difficult to establish the effectiveness of action undertaken under TEP-A for the EEAA Unit on the basis of 'objectively verifiable indicators' of the Logical Framework. While the Senior Officials in the MIT considered that both the institutional development activities and the training provided enhanced the capacity of the EEAA unit to carry out its tasks."
- ROM report for TEP-B states that "Public/private dialogue has been established as the private sector have been involved in contributing to policy development e.g. recent laws affecting the trading sector includes Unified Tax Law (Law 91/2005), the Trade Law (Law 17/91/1999) were fully implemented in 2005, the Customs Tariffs (Presidential decree 39/2007) has been implemented and the Customs Law (Ministerial decree 10/2006) will be put before Parliament in Jan 2009."

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Final Evaluation – January 2008

p. 30 (25)

The Ministry of Trade and Industry is indeed able to manage, implement, inform and advise on the trade provisions of the EU-Egypt Association Agreement and other regional free trade agreements; Internal and External information systems are in place and contribute to making the Agreement operational. An internal manual of operation is in place and used on a daily basis by the EEAA Unit officers.

The EEAA Unit is now playing a major role in initiating, coordinating reforms in compliance with the EEAA as well in preparing the negotiations under the EEAA. It is supporting the business community by providing information and being their primary talking partner in issues related to the EEAA.

p. 31:

It was difficult to establish the effectiveness of action undertaken under TEP-A for the EEAA Unit on the basis of 'objectively verifiable indicators' of the Logical Framework. While the Senior Officials in the MIT considered that both the institutional development activities and the training provided enhanced the capacity of the EEAA unit to carry out its tasks.

The direct impact of institution building and of training delivered by TEP-A on the activities delivered by the EEAA Unit was described in a general way as 'very positive', but it was not possible to have further details, nor on activities carried

out in this light for the Government nor on advice given on trade with the EU.

It was confirmed that TEP-A was undertaking a task envisaged as a pilot activity by the MIT. The Human Resources Department highlighted, in this sense, that

professional results were required from the team even though half of their time was devoted to training.

p. 32 (27)

In addition to the above, several very significant laws have been prepared, passed and enacted, notably with regards to Competition and Consumer Protection that are pillars to the organisation of the market and to competitiveness. The assistance to the newly created Competition Authority resulted in the first and bold investigation launched upon suspicion of price cartel in the cement industry mid-2007. The Consumer Protection Authority - that received support under the component – is now well known in the country (toll-free number).

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

p. 3

Public/private dialogue has been established as private sector has been included in discussions contributing to legislative revisions.

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2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

Summary:

- The final evaluation of TEP-A states that
 - Regarding the EEAA (EU-Egypt Association Agreement) unit: "It was nevertheless pointed out that in many cases (e.g. EU legislation on trade-related subjects: trade barriers, IPR, Consumer Protection, Competition Policy, and EC rules on goods for 15 sectors), only basic levels of competence could be reached under the present duration

<p>and budget of TEP-A.</p> <ul style="list-style-type: none"> ○ “The purpose of the Component 2 is to enhance the capacity of the MTI to manage, implement, inform and advise on the trade provision of the EU-Egypt Association Agreement. This objective has been fully achieved,”
<p>MED/2002/003-396 - Trade Enhancement Programme A (TEP A)</p>
<p>Mid-Term Evaluation – September 2006</p>
<p>p. 30:</p> <p>EEAA (EU-Egypt Association Agreement) unit. It was nevertheless pointed out that in many cases (e.g. EU legislation on trade-related subjects: trade barriers, IPR, Consumer Protection, Competition Policy, and EC rules on goods for 15 sectors), only basic levels of competence could be reached under the present duration and budget of TEP-A. Further and higher level of training was needed to achieve the required professional level and study tours were considered a major asset.</p>
<p>MED/2002/003-396 - Trade Enhancement Programme A (TEP A)</p>
<p>Final Evaluation – January 2008</p>
<p>p. 30 (25)</p> <p>The purpose of the Component 2 is to enhance the capacity of the MTI to manage, implement, inform and advise on the trade provision of the EU-Egypt Association Agreement. This objective has been fully achieved,</p>

2.4.2.4 I 4.2.4 Changes of ‘customer’ satisfaction related to the output produced by trade-related public institutions

<p>Summary:</p> <ul style="list-style-type: none"> • The final evaluation of TEP-A states that <ul style="list-style-type: none"> ○ “Private exporters are increasingly contacting the unit; this number is expected to decrease following the awareness raising and dissemination of the information on the AA. Very good feedback both from the private and public sectors on the quality and rapidity of the replies.” ○ “The Feed-back from the private sector on services rendered by the WTO unit at TAS is very satisfactory.”
<p>MED/2002/003-396 - Trade Enhancement Programme A (TEP A)</p>
<p>Final Evaluation – January 2008</p>
<p>p. 32 (27)</p> <p>Private exporters are increasingly contacting the unit; this number is expected to decrease following the awareness raising and dissemination of the information on the AA. Very good feedback both from the private and public sectors on the quality and rapidity of the replies.</p>
<p>p. 38</p> <p>The Feed-back from the private sector on services rendered by the WTO unit at TAS is very satisfactory.</p>

2.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

<p>Summary:</p> <ul style="list-style-type: none"> • The final evaluation of TEP-A states that the capacity of Egyptian WTO (WTO unit at Ministry of Trade and Industry) negotiators has been strengthened

p. 35 (30)

The Egyptian Negotiator team is strengthened:

Key WTO-CD officers will be able to enhance Egypt's participation in the multilateral, regional and bilateral systems. They will have an increased familiarity with policy formulation practices

Key WTO-CD officers acquired in-depth understanding of international trade agreements and capacity to monitor compliance thanks to training related - and coaching - on to three major WTO trade agreements (GATS, TRIPS and SPS & TBT) and on the use of relevant export databases.

The unit officers are now able to implementing existing agreements and to assist the GOE in meeting its international obligations under the relevant WTO Agreement and to improve its effective participation in the relevant WTO committee.

p. 36 (31)

TAS/FTS has become a quality driven effective department, ISO certified, to promote Egyptian Exports through negotiating, monitoring and administering trade agreements. The capacity of the staff has been significantly built-up allowing interacting satisfactorily with the public and private stakeholders.

p. 37

MTI TAS WTO unit is now well equipped, fully trained and skilled to carry out its mandate vis-à-vis Egypt's membership of the WTO.

p. 39 (34)

Over the programme duration, the staff of the WTO unit has been doubled to reach 50 officers, who were all trained (at least once). Component 3 technical assistance, training and institutional development has generated a very positive impact in improving the ministry staff's capability to perform complex analytical tasks of trade issues and in building middle-management capability. More particularly, Component 3 provided Ministry staff with a broad set of skills.

2.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations

Summary:

- For TEP-A, it is stated that “It has been found in many cases difficult to establish the effectiveness of activities undertaken and therefore the sustainability of results achieved.”, and that often, only the trained persons, but not the institution itself profited from the training. There are furthermore different statements about the results of the trainings, aiming in the direction that the training was good, but not sufficient. However, the WTO Unit seems to have been trained to reach a good level of capacity (according to the final evaluation)

p. 13:

It was noted that the TEP-A contributions to institution building responded to needs identified by the single departments of the MTI and by the different agencies that benefited of the Programme. Each request was examined by the PSU and decided upon by the appropriate authority (the Executive Committee was created in Nov. 2005 to facilitate decision making).

The overall pattern in which the institution-building process to which TEP-A contributed was not well identified. In many cases, the public administration has established a complex set of mechanisms to achieve government policies. The training provided under the programme was therefore focussing on the technical outputs of the staff trained,

and not on their contribution to a 'corporate governance' scheme. It may be feared that in this light, that the efficiency of the people trained may be limited to their immediate technical capacity, rather than being integrated to an overall 'results-achieving' policy-oriented public administration.

p. 14:

It has been found in many cases difficult to establish the effectiveness of activities undertaken and therefore the sustainability of results achieved. One reason for this was to be found in the very mobile pattern of benefiting agencies. In very few cases was it possible to find job descriptions in which the training provided was justified. It may be found that, in this light, training provided may not have benefited, in a lasting way, so much to the institution that was supported, as simply to the trainee to which capacities were provided. The sustainability of capacities provided to institutions, through training of its staff, may be found vulnerable to staff turnover.

p. 30

Relevance of Component II – Egypt-EU Association Agreement

Meetings with the Senior Officials of the Trade Agreements Department showed that the activities undertaken by TEP were relevant to the requirements of the EEAA unit. It was nevertheless pointed out that in many cases (e.g. EU legislation on trade-related subjects: trade barriers, IPR, Consumer Protection, Competition Policy, and EC rules on goods for 15 sectors), only basic levels of competence could be reached under the present duration and budget of TEP-A. Further and higher level of training was needed to achieve the required professional level and study tours were considered a major asset.

p. 31

Efficiency of Component II – Egypt-EU Association Agreement

On the other hand, the training activities were insufficient to enable the staff to 'fully comprehend the EEAA' in its trade-related aspects (Industry, Agriculture and Services Tariffs abatement impact assessment- But also complex trade-related legislation): effectiveness was conditioned by the duration and the budget of the Programme.

According to statements of Senior Officials in the MTI, the training provided by TEP-A strengthened the capacity of the EEAA Unit to "inform, advise, train and support" the MTI on the trade-related provisions of the EEAA. It was confirmed, in this sense, that training of new members of the team was delivered by its more senior staff. Discussions held with trainees confirmed a good level of knowledge of EU trade-related legislation, though insufficient practice for legal drafting (necessary for the approximation of legislations).

p. 33

Effectiveness of Component III – WTO Agreements

Head of Department and the Head of the Trade Agreement Sector: Both consider that results achieved have had a very positive impact on the quality and on the performance of their services. They consider, nevertheless, that much ground has yet to be covered before they can fulfil their mandate in a satisfactory manner.

Representatives of the Private Sector, while acknowledging the results achieved, suggest that the Programme has not achieved its objectives of upgrading the professional capacities of the MTI to a 'World Class Level' as expected. They conclude by this that the duration and the budget available was insufficient to achieve expected results.

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p. 35 (30)

Component 3 – WTO

A core team of 7 officers received 11 training session (165 trainee-days) and are now assessing the impact of different trade agreements on the Egyptian Economy and evaluating the trade competitiveness of Egypt. They are also able to coach new comers to the unit. Key officers will be able to measure the impact of different trade agreements and to evaluate Egypt's trade competitiveness. Training on dedicated analytical tools for General Equilibrium.

p. 37 (32)

Component 3 – WTO

At the end of the training, the understanding of government officials and business community representatives was widened about global trade flows and the market access conditions of Egyptian goods; and participants' technical skills in analysing global and bilateral trade flows and benchmarking Egyptian export products was improved, as was their ability to use the relevant trade databases and analytical tools mentioned above.

2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations

Summary:

- Final Evaluation of TEP A states that the private sector was made more aware of trade agreements and how they can benefit from it.

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Final Evaluation – January 2008

p. 36 (31)

The business community is more aware of the trade agreements, EEAA and WTO in particular, and how they can fully benefit from them;

TAS staff is able now to design, conduct and manage public awareness activities and maintain a sustained flow of information with stakeholders.

p. 37

This programme raised awareness among the business community in Egypt and created awareness about the agreements to different business sectors.

Several conferences and sector focused workshops were organized, e.g., workshops on Agriculture, Textile, Tourism, Food, Services sectors; conference on the EU-Egypt Association Agreement to raise awareness on this agreement; conference jointly organized by Component 3 and ATR on the status of the negotiations at the WTO prior to the December 2005 Hong Kong ministerial meeting.

2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

Summary:

- Final Evaluation of TEP A states, that after receiving training, “Key legal and investigators officers will be able to deal with trade related disputes/legal challenges that arise within the context of the trade agreements to which Egypt is a signatory and to protect Egypt from unfair trade practices.”

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Final Evaluation – January 2008

p. 35 (30)

The resolution of disputes over trade-related issues between the Government of Egypt and its trading partners constitute an increasing proportion of the work of the MTI. Responsibility for handling these cases is mandated by

MTI to the Central Department, International Trade Policy, (CD-International Trade Policy) and to the newly created Legal Analysis and Research Unit (LARU) of the Trade Agreements Sector
The team was delivered and trained on a Manual of procedures, complying with WTO, the ECAA requirements and international best practices to be used in the framework of trade remedies investigations.
Key legal and investigators officers will be able to deal with trade related disputes/legal challenges that arise within the context of the trade agreements to which Egypt is a signatory and to protect Egypt from unfair trade practices.

2.5 EQ 5 - To what extent has the Commission's TRA to trade facilitation contributed to reducing trade-related transaction costs?

Summary:

The Country Strategy Evaluation states that the TRA interventions have contributed to trade facilitation, the public administration's capacity to harmonize legislation and regulations with international and particularly EU frameworks, to improved trade policy formulation, trade promotion, capacity building of the customs authority and decrease in trade barriers and in non tariff measures

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p. 70 (40)

Commission's interventions have contributed to trade facilitation but trade restrictions are still important and the sustainability of the support is questioned.

Contribution to the reinforcement of the public administration's capacity to harmonise legislation and regulations with international and particularly EU frameworks through TEP-A and C. TEP-A provided technical assistance (i) to the Trade Agreement Sector department which is in charge of implementing and coordinating the implementation of trade-related aspects of the AA (ii) to the staff of the Ministry of Trade and Industry for trade policy formulation, and (iii) to the staff of the Egyptian export promotion entities. TEP-C contributed to the upgrading of the Egyptian Customs Authority senior and middle management skills through training and mentoring.

□ Contribution to the decrease in trade barriers and in non tariff measures through TEPB, in particular improvement of customs services, exemption of all imports earmarked for free zones from all inspection at ports, improvements of standards and control services, and expansion of export promotion schemes.

2.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

2.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced

Summary:

- Final Evaluation of TEP-C states that a training needs assessment was missing from the perspective of the client and hence the gap analysis was flawed.
- Furthermore the final evaluation of TEP C states "The sustainability of the outputs is questionable as the principal method of training/Capacity building after the TEP-C input is by cascading .This is a good interim methodology but it requires sustained efforts and inputs."
- However, the final evaluation of TEP-C later states explicitly for each of the five component, that capacity, needs and gap analyses were conducted and served as a basis for the activities (p. 18 – 20)

Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)

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p. 6 (vi)

The basis of the training is the TNA [training needs assessment] and this is established on the Baseline analysis .This from the client perspective is missing and the therefore the GAP analysis flawed. There are other issues that became contentious in the selection criteria but these were worked around

...

The sustainability of the outputs is questionable as the principal method of training/Capacity building after the TEP-C input is by cascading .This is a good interim methodology but it requires sustained efforts and inputs.

p. 25 (18)

Component I

The TEP C programme has started with a thorough analysis of the current ECA technical capability. This has been key to developing a training regime to mitigate the identified gaps and to reach the objective of technical competency with Valuation/Origin rules.

As the mission reports proofs, the TEP C Short-Term Expert (STE) made a detailed Training Needs Analysis (TNA) in the areas concerned.

...

Component II

As detailed in the related Mission Reports, the STE and training specialist started with identifying the principal activities of the Risk Management (RM) training, then made an assessment of current training programmes, formal and informal, provided by the ECA. Then, an operational review of existing guidelines and instructions to customs personnel regarding cargo and commodity targeting was undertaken.

The main activities completed concern a detailed Training Needs Analysis in respect of the relevant areas.

p. 26 (19)

Component III

The STE for this area completed a thorough analysis of the current ECA technical capability enabling the objective of competency with Post-Clearance Audit procedures. Gaps in service delivery were identified and training modules developed to mitigate the gaps.

According to the mission reports, a detailed Training Needs Analysis in respect of the areas was done, and the ECA personnel to attend the courses was identified through an interview process.

p. 27 (20)

Component IV

In order to design an effective Management Development Plan that would facilitate the upgrading of management techniques, STE's dedicated to this component undertook a review of current infrastructure, and the roles and responsibilities of managers at the mid to senior levels to determine the best training methodologies to use, in order to meet training objectives.

...

Component V

An analysis of the gaps in service delivery and the quality of communications products has been made in view of developing a successful modernisation programme.

2.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

Summary:

- The CSE states that “Interventions have also contributed to trade facilitation by helping to Reinforce the public administration’s capacity to harmonise legislation and regulations with international and particularly EU frameworks;”
- Under TEP B, the following was introduced: “Model Customs Centres (MCCs), Logistic departments (the first one opened in Feb 08 and the second in Mar 08 in Alexandria Port) have

been created, an Account Management System (AMS) developed at the CRU (Cairo) for the top traders (396 currently on the client list) has improved the release time of goods. Single Window, One-stop-shops were established and it is stated that disputes have dropped from 30-35% (2004) to less than 1% (2007).”

- Final evaluation of TEP C: “The TEP C programme, through its training activities, has also made important contributions (a) to streamline and harmonise customs procedures according to international best practices, (b) to modernise customs operational tools and (c) to upgrade customs professional capabilities at the technical, managerial and institutional levels.”

Country Strategy Evaluation 2010

p. 65 (35)

Interventions have also contributed to trade facilitation by helping to :

□ Reinforce the public administration’s capacity to harmonise legislation and regulations with international and particularly EU frameworks;

Decrease trade barriers and non tariff measures.

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

p. 3

Model Customs Centres (MCCs), Logistic departments (the first one opened in Feb 08 and the second in Mar 08 in Alexandria Port) have been created, an Account Management System (AMS) developed at the CRU (Cairo) for the top traders (396 currently on the client list) has improved the release time of goods. Single Window, One-stop-shops were established and it is stated that disputes have dropped from 30-35% (2004) to less than 1% (2007).

Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)

Final Evaluation – January 2008

p. 24 (17)

The TEP C programme, through its training activities, has also made important contributions (a) to streamline and harmonise customs procedures according to international best practices, (b) to modernise customs operational tools and (c) to upgrade customs professional capabilities at the technical, managerial and institutional levels.

2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

Summary:

- The mid-term evaluation of TEP A states that there has not been appropriate interaction of the different components of the programme

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Mid-Term Evaluation – September 2006

p. 37

Conclusions:

The TEP-A is strongly compartmented, as seems to be the public administration as a whole. An exception to this are the two departments concerned with trade negotiations. Insufficient cross-fertilisation is achieved between the different project components, while a number of issues have been found to be of common interest to the different

sectors, in particular in the context of Trade-led development.
 It is clear that there are important advantages to be expected from interaction between Export Promotion Agencies and the Trade Agreements Sector in the MTI.
 In this respect, it has been found that each component of the TEP-A was operating with an insufficient overall policy-referenced backdrop. It could be of common interest to deliver components found to be parts of a common strategy.

p. 39

Key lessons learnt:

The organic structure of TEP-A has been established on the basis of a comprehensive support to trade development. It has taken for granted that each 'component' of the trade supporting pattern would be in a position to play its role and that appropriate interaction would take place between each component.

This has not been the case and the importance of some components are not well understood by strong actors of other components. The Public Service (MTI Negotiation Services and ECS) and the Private Sector often have different understandings of support required for the development of Trade.

It is essential for the achievement of expected results that an overall authority coordinates the institutions supportive of trade and delivers the appropriate common approach to trade development. This role is to be played by the Steering Committee, that must lead the coordinated effort.

2.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

2.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)

Summary:

- TEP-C supported the Egyptian custom reform programme, which was based on a blueprint elaborated by the IMF

Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)

Final Evaluation – January 2008

p. 12 (5)

The initial blueprint for customs reform in Egypt has been outlined in 2002 in a draft document by the International Monetary Fund (IMF). On the basis of this document the GoE initiated a comprehensive customs reform programme.

2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)

Summary:

- ROM report for TEP B states different measures for a strengthened customs system regarding procedures and systems
- Final evaluation of TEP C: “The TEP C programme, through its training activities, has also made important contributions (a) to streamline and harmonise customs procedures according to international best practices, (b) to modernise customs operational tools and (c) to upgrade customs professional capabilities at the technical, managerial and institutional levels.”

- Final evaluation of TEP C states further details how the programme contributed to strengthened customs procedures and systems.

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

p. 3

Model Customs Centres (MCCs), Logistic departments (the first one opened in Feb 08 and the second in Mar 08 in Alexandria Port) have been created, an Account Management System (AMS) developed at the CRU (Cairo) for the top traders (396 currently on the client list) has improved the release time of goods. Single Window, One-stop-shops were established and it is stated that disputes have dropped from 30-35% (2004) to less than 1% (2007).

Sheet "Effectiveness"

The revision in the Customs Law, implementation of the new Customs Tariff Law, the creation of MCTCs, and 'state of the art' control rooms have been equipped in GOEIC (Cargo airport Cairo), ECA Alexandria and Ain Sokhna Ports. Whilst not all ports are fully automated nationwide these have improved the effective implementation of new procedures to increase trade facilitation. An increase in the volume of imports/exports has been witnessed.

...

The Customs Reform Unit (Cairo) hosts the Account Management System (AMS) which has currently the 396 top companies (with a target to reach of 600) as clients. This has reportedly improved a quicker release time of goods. The results are visible and considered very useful.

Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)

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p. 24 (17)

The TEP C programme, through its training activities, has also made important contributions (a) to streamline and harmonise customs procedures according to international best practices, (b) to modernise customs operational tools and (c) to upgrade customs professional capabilities at the technical, managerial and institutional levels.

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p. 24/25 (17/18)

The ECA has started to apply WTO valuation procedures, leading to increased transparency in customs valuation. As a result of TEP C training activities, institutional capacity is increasingly created concerning the creation and access to valuation databases. The TEP C programme through specific training activities has also contributed towards establishment of a functioning Customs Risk Management System. While the USAID funded TAPR II programme took responsibility of the provision of the appropriate software, the TEP C provided the needed hardware as well as the training in the specific technical applications.

An important area, where a valued impetus has been achieved is the revision of the post-clearance control & audit functions (PCA) within ECA. This is an area, where important steps have been made due to the TEP C support. However, much more will need to be done to finally reaching a sufficient level of professional handling capacity in this area.

A further important area, to which training activities have been oriented, concern the strengthening of middle management capacities enabling them to play a major role in the overall modernisation and upgrading of customs services at the various technical levels.

All these activities and results have however to be seen in the light of the improved relationship with the private sector and the wider trade community. As a result of the initiated changes towards a modernised custom service, relations between customs and the trade community have improved. Incentives for escaping normal

customs procedures have been reduced and more productive overall control systems have contributed to reduce actions of fraud.

p. 29 (22)

This increases ECA processing capacity and reduces transaction costs for the

traders. This effect has already been measured within the ECA process and the positive results have been confirmed to the evaluation mission by members of the trading community interviewed during the evaluation.

p. 30 (23)

As the current trend demonstrates, the customs reform and trade enhancement process are efforts that have started to definitively produce positive outputs that will be sustained by the GoE and the broader trade community.

2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

Summary:

- ROM report for TEP B states: “As a result, the ECA (Egyptian Custom Authority) is perceived as a much more efficient entity and stakeholders met by the monitor expressed the noticeable improvement in foreign trade facilitation through the implementation of customs procedures in both Alexandria and Ain Sokhna Port different measures for a strengthened customs system.”
- Final Evaluation of TEP-C states that the delivered training to the customs authority by short term experts was on a high level of efficiency. However the major weakness with this regard was the missing training of trainers.
- Furthermore, the Final Evaluation of TEP-C states that “According to the SFA, the TEP-C program had to “concentrate on institutional capacity building” and on “the upgrading of management resources of the customs administration”. It was expected that this would contribute “to the achievement of specific GoE customs reform objectives”. With regard to this challenge, the TEP C has made important contributions to capacity building of the ECA Directorates that were directly benefiting of training. No specific input has been made to capacity building in the CRU and management resources have not been upgraded in this unit. A major weakness of the programme is the absence of close cooperation with the NCTI and the lack of substantial input into the NCTI, which should have been the main partner for implementation of training activities.”
- Furthermore, the Final Evaluation of TEP-C states that “In the technical side, the TEP C has contributed in an important way to achievement of the programme’s aim to reduce the cost of doing business in Egypt. This has also to be seen as an input to further enhance economic efficiency and foster commercial competitiveness of exports in the country. During the life span of the TEP C, but not exclusively due to its interventions, customs formalities have been made more predictable and less costly for all operators in foreign trade activities.”
- Final evaluation of TEP C states further details how the programme contributed to strengthened customs administration.
- Regarding sustainability, the final evaluation of TEP C states “As the current trend demonstrates, the customs reform and trade enhancement process are efforts that have started to definitively produce positive outputs that will be sustained by the GoE and the broader trade community.” But also “With regard to institutional and management capacity, the impact of the TEP C programme has not been optimised. Its design did not have a specific focus on capacity building of the CRU. This may be considered a lost opportunity to achieve long term institutional impact,…”

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Sheet “Efficiency”

Institutions met by the monitor are actively motivated and committed to the on-going reform process for example, the ECA recruited an external company to conduct the selection of employees, which has been very effective and the capacity building provided to its staff ensured that the beneficiaries were empowered to move from a mind-set of ‘income generation’ to one of ‘service orientation’. As a result,

the ECA is perceived as a much more efficient entity and stakeholders met by the monitor expressed the noticeable improvement in foreign trade facilitation through the implementation of customs procedures in both Alexandria and Ain Sokhna Port

Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)

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p. 21 (14)

With regard to this task a high level of efficiency can be confirmed by this evaluation mission. The training experts delivered their results for capacity building in time and with the required quality. The training manuals and documentation have been handed over to the CRU.

The major weakness with this regard is the absence of training of trainers, as it has initially been planned for by the SFA. This certainly reduces the level of efficiency to a large extent, because it eliminates the multiplier effect.

herefore, the expected potential of efficiency has not been achieved due to the weak capacity of the National Customs Training Institute (NCTI), which has only been started upgrading its facilities, combined with recruitment of new and qualified training staff, towards the end of the programme in 2007.

This was identified in the needs analysis for TEP-C and is not a measure of the effectiveness of the TEP-C implementation rather a constraint to its timely success,

Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)

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p. 24 (17)

According to the SFA, the TEP-C program had to “concentrate on institutional capacity building” and on “the upgrading of management resources of the customs administration”. It was expected that this would contribute “to the achievement of specific GoE customs reform objectives”.

With regard to this challenge, the TEP C has made important contributions to capacity building of the ECA Directorates that were directly benefiting of training. No specific input has been made to capacity building in the CRU and management resources have not been upgraded in this unit. A major weakness of the

programme is the absence of close cooperation with the NCTI and the lack of substantial input into the NCTI, which should have been the main partner for implementation of training activities.

...

In the technical side, the TEP C has contributed in an important way to achievement of the programme’s aim to reduce the cost of doing business in Egypt. This has also to be seen as an input to further enhance economic efficiency and foster commercial competitiveness of exports in the country. During the life span of the TEP C, but not exclusively due to its interventions, customs formalities have been made more predictable and less costly for all operators in foreign trade activities.

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p. 24/25 (17/18)

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An important area, where a valued impetus has been achieved is the revision of the post-clearance control & audit functions (PCA) within ECA. This is an area, where important steps have been made due to the TEP C support. However, much more will need to be done to finally reaching a sufficient level of professional handling capacity in this area.

A further important area, to which training activities have been oriented, concern the strengthening of middle management capacities enabling them to play a major role in the overall modernisation and upgrading of customs services at the various technical levels. All these activities and results have however to be seen in the light of the improved relationship with the private sector and the wider trade community. As a result of the initiated changes towards a modernised custom service, relations between customs and the trade community have improved. Incentives for escaping normal customs procedures have been reduced and more productive overall control systems have contributed to reduce actions of fraud.

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As the current trend demonstrates, the customs reform and trade enhancement process are efforts that have started to definitively produce positive outputs that will be sustained by the GoE and the broader trade community.

2.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

2.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

Summary:

- Mid-term evaluation of TEP A: "For instance, in the case of Component 5 (Trade Facilitation, Standards, Norms...), a Technical Assessment Mission took place on February/March 2004, a semester before the start of inception phase and had already at that time highlighted crucial needs and reached recommendations which were subsequently agreed upon among all parties with the signature of the OWP"

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Mid-Term Evaluation – September 2006

p. 26:

For instance, in the case of Component 5 (Trade Facilitation, Standards, Norms...), a Technical Assessment Mission took place on February/March 2004, a semester before the start of inception phase and had already at that time highlighted crucial needs and reached recommendations which were subsequently agreed upon among all parties with the signature of the OWP. There is no evidence of any significant and substantiated counter-argument to the decision taken for the whole year of TEP-A operations 2005. Further, in November 2005 "the tender dossier for equipment had been completed and sent for publication on the EC web site "

2.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

2.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

2.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

2.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

2.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

Summary:

- Documentation of TEP A and TEP B state that the Egyptian quality infrastructure (the General

Organisation of Export and Import GOEIC as a crucial part of this) has been improved
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Mid-Term Evaluation – September 2006
<p>p. 36</p> <p>Effect. C5 – Trade Fac. (Standards, Accreditation,...)</p> <p>The GOIEC Programme counterpart considers that, before the laboratories are purchased, installed and working, there will have been no TEP result improving the performance of this agency. Training activities carried out to create a 'talent pool' of 20 consultants had been put on 'hold' till the purchase of the equipment. The initial study tour seems to be the only activity finally implemented.</p>
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Final Evaluation – January 2008
<p>p. 45 (40)</p> <p>At the beginning TEP-A should have supported the creation of 4 calibration, one dioxin and one aflatoxin laboratories to contribute to facilitating the trade flow with the EU. After AWP No 2, the dioxin and aflatoxin labs were cancelled by the Executive Committee in light of the lack of absorption. Only the two calibration labs remained in the programme. This reduced the budget to € 1,300,000 from € 2,000,000.</p>
<p>p. 46</p> <p>The project has enabled the staff of the GOEIC laboratories to reach the level of labs accredited to an international standard.</p>
<p>p. 46</p> <p>While training of Auditors was delivered as planned, the procurement of laboratory equipment was delayed and the procurement specifications modified several times. This delay made it difficult to achieve the overall intended outputs during the initial duration of the project. Meeting with GOEIC bore on the development laboratories equipment was considered a threat for the outputs of the project and decisions taken by the Executive Committee to reduce the number of laboratories purchased under the project seems to have been accepted and was not really commented.</p>
<p>p. 47</p> <p>More than three times the number of internal auditors have been trained than were required by the project ToR. The original ToR for the project called for training 20 GOEIC internal auditors. The project initially trained 22 auditors and subsequently a request from the TBCP was received to expand the number to 60. Sixty three (63) internal auditors have completed their training by examination through a series of courses.</p>
<p>p. 47</p> <p>Component 5 – Trade facilitation (Standards, Testing, Accreditation)</p> <p>Effectiveness</p> <p>The effectiveness will be greatly improved when the laboratories will be installed and working properly but the actual results are superior to the expected ones</p> <p>Impact</p> <p>Impact: this component has utilised a huge number of local consultants with foreign expert leaving behind reinforced national consulting firms. It has also strengthened the institutional and human resources capacity of GOEIC allowing the staff of the laboratories to reach the level of laboratories accredited to an international standards.</p>
MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

Sheet "Effectiveness"

As mentioned above, GOEIC have moved into their new premises with a fully automated control system implemented, a new data warehouse and training centre. Their laboratory facilities in different ports have been beneficiaries under the TEP-A TA program with new equipment installed

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

Summary:

- ROM report for TEP B states, that "Consumer confidence in the quality of Egyptian products has been raised as they benefit from the introduction of the harmonization of standards and requirements of conformity and quality marks."

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

p. 3

Consumer confidence in the quality of Egyptian products has been raised as they benefit from the introduction of the harmonization of standards and requirements of conformity and quality marks.

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

Summary:

- The final evaluation of TEP A sees several factors ensuring sustainability.

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Final Evaluation – January 2008

p. 48 (43)

Component 5 - Accreditation

The **sustainability** is ensured by the training of a critical mass of internal staff that will ensure dissemination of a new culture and the ISO certification will also be a guarantee of sustainability. The award of international accreditation will add to the development and acceptance of GOEIC services as a pivotal requirement for trade facilitation and thereby improve both the quality and the quantity of traded goods flowing through Egypt. The sustainability also includes the development of a core group of "trainers for trainers". The component provided theory training for 15 trainers. On the other hand, GOEIC is looking to be accredited as Proficiency Testing Provider at regional level. This would contribute to the financial sustainability. The technology offered corresponded to the needs and GOEIC should be able to adapt to and maintain the technology acquired without further technical assistance in the near future. On the other hand, the activities of the component have been embedded in the beneficiary institutional structures and this will also ensure sustainability. The commitment of the MTI is also assured.

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

- 2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies
- 2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies
- 2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 JC 6.4 - Cost of compliance reduced

- 2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance
- 2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

Summary: <ul style="list-style-type: none"> • Final evaluation of TEP A: “Objectively verifiable Indicators: Customs report a dramatic decrease in interception for non-compliance at EU borders fallings from 46 in 2004 to 0 in 2007 (according to the Agriculture Export Council).”
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Final Evaluation – January 2008
p. 9
Objectively verifiable Indicators:
Customs report a dramatic decrease in interception for non-compliance at EU borders fallings from 46 in 2004 to 0 in 2007 (according to the Agriculture Export Council).

2.7 EQ 7 - To what extent has the Commission’s TRA contributed to deepening regional economic integration?

2.7.1 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

- 2.7.1.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers
- 2.7.1.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

2.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government

Summary:

- The final evaluation of the Spinning and Weaving Sector Support states: "...the creation of a professional organization for cotton exporters to better defend operators against state interventions and the elimination of all inconsistencies of Law 211 of 1994 regulating cotton exports."

MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt

Final Evaluation - December 2009

p. 13 (6)

Law 211 of 1994 regulating cotton exports:

In the new text of the law the liberalization of cotton exports is ensured through a series of measures including, inter alia, the creation of a professional organization for cotton exporters to better defend operators against state interventions and the elimination of all inconsistencies of Law 211 of 1994 regulating cotton exports.

BUT:

p. 45 (38)

Given recent difficulties of the sector, and in particular the sharp decline in output, a detailed independent assessment would be required in order to determine what has been the exact impact of the measures adopted by the MALR under the SWSSP. At this stage, considering that most of the legislation included in the conditionalities have been passed we can only assume that the impact is limited but positive.

2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

Summary:

- The mid-term evaluation of TEP A states several times that the trade promotion services were strengthened, but states also that "The structure adopted for support to export promotion is not sufficient to raise awareness of SMEs to changing market conditions and to develop their competitiveness."
-

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Mid-Term Evaluation – September 2006

p. 14:

The efforts for Institution-building delivered by TEP-A have, in different cases provided 'business plans' for agencies concerned with Trade Promotion. It could be that further and more systematic support to Human Resources Management could strengthen the sustainability of results achieved

p. 29:

It was highlighted to the evaluation team that ECS (Egyptian Commercial Services – the national Trade promotion service) offices were strengthened (in the form of training) by TEP-A so that they could respond to the sector-related requirements of the Exporting Councils, developing specialised hubs for industries directly concerned with export trade.

The activities undertaken under Component 1 had an important institutional building role. It was seen that the Institutional Analysis and modernisation proposal, together with the delivery of management and communication tools required time for the beneficiary to take on board and implement.

The Beneficiary stated overall satisfaction for these contributions and an important number of coaching activities were delivered to facilitate and enhance the implementation of institution building proposals.

p.30:

It may be considered that the achievements delivered under Component 1 are sustainable as they are or are called to be built into the ECS structure and working methods.

p. 30

Findings on Component I Trade Diplomacy
Effectiveness:

Likewise, it was considered by the beneficiary that the nature and quality of training provided enabled the trainees to perform their tasks with increased professionalism and improved results. This strengthened considerably the capacity of the ECS to respond to the needs of existing or potential exporters.

p. 33

Relevance of Component 4 – Export Promotion:

Partially unsuccessful efforts were made, under TEP-A, to achieve the National Strategy for Export Promotion within its proposed institutional set up based on the contributions of Sector-related Export Councils created at the beginning of A WP2. Such a strategy seems an essential benchmark to establish the role of Export Promotion agencies and the relevance of the different actions undertaken for export promotion. This input would also be necessary to elaborate a long term blueprint, business plans and operational pattern for such agencies as ECS, EEPC and GOIEF, ... while setting their role in relation to the private sector and associated services. The role and appropriate structure of the institutional framework (including the different roles of Chambers of Industry and Export Councils) set for Export development in Egypt remains unclear and this may consequently be said of the relevance of contributions to the different specialized Export Promotion MTI agencies.

p. 34

Most contributions delivered the expected outputs and were considered acceptable in terms of quality, though sometimes 'too theoretical'. The library on exports delivered to ME with ITC support usefully completed the agency's facilities.

p. 34

Effectiveness of C4 – Export Promotion:

It was appreciated by the Beneficiaries that TEP-A activities were useful for enhancing their roles to serve the Trade Sector in Egypt if the implementation schedule would completely achieved as planned.

GOIEF: It will be more effective as a deliverable of TEP-A to establish Hall No. 2 or any as a pilot project where an adjustable restructuring and personnel skills enhancement can be implemented. A business plan was designed for the agency, but nothing was done for its implementation.

EEPC is still at an early stage of its institutional development. The institution is not yet able to produce any services to the business Community. TEP-A could not enhance effectively the role of EEPC in harmonizing the mandate of

the different TPOs or in providing specialized services to Export Councils
 FTTC : The well organized structure and clear vision of FTIC, has enhanced the capacities this agency has for training exporters and assisting exporting companies. It may be considered that TEP-A has contributed largely to the ISO certification of the agency, presently about to be achieved.

p. 40

Lessons learnt

The structure adopted for support to export promotion is not sufficient to raise awareness of SMEs to changing market conditions and to develop their competitiveness.

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Final Evaluation – January 2008

p. 20

TEP A increased the effectiveness of Egypt’s commercial front desk and improved the timeliness, quality and accuracy of the information its supplies to users.

ECS is the government trade promotion organization that works within the framework of the Ministry of Trade and Industry. ECS contributes to the economic and social development of Egypt through the promotion of exports and the attraction of foreign investment. .ECS accomplishes these goals by providing the business community with quality services through its network of external offices and fostering synergies with other organizations.

ECS is responsible for:

* Developing and diversifying export markets for Egyptian goods and services, * Attracting foreign investment in Egypt, * Representing Egypt in international organizations, * Preserving Egyptian economic and commercial interests abroad.

P 43

Component 4 – Export Promotion

Effectiveness

It is not easy to rate component 4 as a whole. The effectiveness of the IT sub-component rated “Good” and the Training sub-component rated “Average”. The overall effectiveness of component 4 can be rated “High Average”. This component has the same difficulties like other components concerning the quality of some of the experts were not up to the standard given the inflexibility of changing the low quality expert.

Impact

The impact of the IT sub-component can be rated “Very Good” and the Training sub-component can be rated “Average”. The overall impact of Component 4 can be rated “Good”.

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

Summary:

- Flow of FDI grew, but according to the Final Evaluation of TEP-A, it is not attributable how EC interventions contributed to that

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Final Evaluation – January 2008

p. 9 (4)

FDI grew steadily from USD 0.3 mm in 2003/4 to USD7 mm in 2006/7 (MOF) out of which a significant part (unknown) is targeting exporting companies.

2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements

2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns

2.8.2.3 I 8.2.5 - Availability of quality investors' information/guides

Summary:

- The final evaluation of TEP A states that "TEP A increased the effectiveness of Egypt's commercial front desk and improved the timeliness, quality and accuracy of the information its supplies to users." The commercial front desk is also responsible for attracting foreign investment

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Final Evaluation – January 2008

p. 20 (15)

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ECS is responsible for:

* Developing and diversifying export markets for Egyptian goods and services, * Attracting foreign investment in Egypt, * Representing Egypt in international organizations, * Preserving Egyptian economic and commercial interests abroad.

2.8.3 JC 8.3 Improved access to trade finance

2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed

2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

2.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

Summary:

- Despite the apparently good interventions of the Commission in Egypt, Egypt fell on the global competitiveness index:

Year	2004	2005	2006	2007	2008	2009	2010
Rank	62	53	63	77	81	70	81

total number of countries	104	117	125	131	134	133	139
<ul style="list-style-type: none"> Regarding the Spinning and Weaving Sector Support Programme, the final evaluation states: “The principal Objective [of Component B], to create conditions in which a strengthened national SW Sector would be able to compete globally, was ambitious but consistent with Government's official policy. The energy and approach to the execution was actually consistent with this aim. Yet attainment of these objectives has to some extent been delayed. A ‘full comprehensive impact’ became increasingly impossible to achieve during the period of the SWSSP, principally due to greater global SW competition following changes to WTO Global Trading Rules in 2005 and the strong emergence of Chinese and other Asian producers, latterly coinciding with the Global Credit Crunch.” 							
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)							
Final Evaluation – January 2008							
p. 9 (4)							
<p>However, on the Global Competitiveness Index, Egypt fell from 52 in 2005 to 63 in 2006 (out of 125 countries), while falling also on the Business Competitiveness Index from the 71st to the 76th rank (out of 121 countries). This downgrading of the rankings in a context of good performance sanctions <i>‘the degradation of the budget deficit, the weight of the domestic debt and the piecemeal nature of the reforms’</i>. This highlights the necessity to both ensure coherence of actions and policies and provide further support in the fields of business and export facilitation.</p>							
MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt							
Final Evaluation - December 2009							
p. 45 (38)							
Component B: restructuring of the SW sector							
<p>The principal Objective, to create conditions in which a strengthened national SW Sector would be able to compete globally, was ambitious but consistent with Government's official policy. The energy and approach to the execution was actually consistent with this aim. Yet attainment of these objectives has to some extent been delayed. A ‘full comprehensive impact’ became increasingly impossible to achieve during the period of the SWSSP, principally due to greater global SW competition following changes to WTO Global Trading Rules in 2005 and the strong emergence of Chinese and other Asian producers, latterly coinciding with the Global Credit Crunch.</p>							

2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors

Summary:
<ul style="list-style-type: none"> Final evaluation of TEP A: “Trade between the EU and Egypt has very significantly increased since entry into force of the EEAA, after several years of constant performances. Although this positive trend cannot be only attributed to the implementation of the AA, it is no doubt that the Component 2 activities contributed to the smooth increase of EU-Egypt trade.”
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Final Evaluation – January 2008
p. 9 (4)

Objectively verifiable Indicators:

- Annual export proceeds: +3% in 2002/3, +5.1% in 2003/4, +6.5% in 2004/2005 and +6.8% in 2005/2006 (ENCC2007).
- Exports grew by 160% from USD7 mm in 2001/2 to USD18.4 mm in 2005/6; i.e. from 7.6% to 17.3% of the GDP (ENCC).
- The creation of 14 export councils and their progressive enlargement to SMEs evidence that an increasing number of SME exporters are active (although recent and difficult to quantify).

p. 32 (27)

About component 2 – EU-Egypt Trade Agreement

Trade between the EU and Egypt has very significantly increased since entry into force of the EEAA, after several years of constant performances. Although this positive trend cannot be only attributed to the implementation of the AA, it is no doubt that the Component 2 activities contributed to the smooth increase of EU-Egypt trade.

2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors

Summary:

- According to Final evaluation of TEP-A, establishment of new export markets for Egyptian products could not be measured

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Final Evaluation – January 2008

A4.2.4.1 Achievement against the OVIs

The OVI stated in the SFA for the component 1 were the following:

OVI as stated in the SFA	Indicators (actuals)	Evaluation
Egyptian exporters establish new markets abroad		
Measurable increase in FDI, Particularly in export sectors		
CRS establishes a regular company visiting program		
Establishment of accelerated career path for CRS staff who display commercial acumen.		

Comments on the OVIs:

The OVI are not measurable indicators; as an example, the first two OVI did not specify the number of new markets to be established and the size of increase in FDI.

p. 28 (23)

2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).

Summary:

- The CSE states: “Commission's interventions have contributed to facilitating the development of productive sector activities but Egypt’s performance in ease of doing business remained under

the regional and income groups' averages”

- Final evaluation of TEP A states: “Also, as previously mentioned, at the request of the beneficiary, additional results were achieved in relation with the competition regime and consumer protection law, which are two relevant institutions to increase competitiveness of Egypt and therefore foster EU/Egypt trade.”
- ROM report for TEP B states that TEP B “... has facilitated the Ministry of Finance in implementing the necessary mechanisms to increase competitiveness”
- ROM report MR-107262.01 for Research, Development and Innovation Programme states that programme is on its way to contribute to enhancing Egypt’s economic growth and international competitiveness through improving its research, development and innovation performance. “The EU funded Research & Development Innovation (RDI) Programme represents one of the key initiatives undertaken by the Ministry of Higher Education and Scientific Research (MHESR). Its aim is to improve innovation culture for the development of competitive products and goods by Egyptian enterprises.”
The ROM report MR-107262.01 for Research, Development and Innovation Programme furthermore states that the project is reaching the beneficiaries ((i) the public and private research and technology transfer institutions and (ii) the Egyptian industrial sector, in particular the small and medium-sized enterprises) which show strong response
“The positive response from industry confirms that industrialists realize the benefits from collaboration with research for innovation for the first time in Egypt. This is a main change stimulated by the Research Development Innovation Programme activities already. First comprehensive results should be available for evaluation at the end of 2009.”
- ROM report MR-107262.02 for Research, Development and Innovation Programme states that the programme has good longer term prospect for a very positive impact on the overall objective.
“A positive impact is extremely likely, as the project has given impulse to a cooperation between industry and university, and has given to the Egyptian scientists a better access to international funding and networking. It is much too early, however, to see such impact today. As mentioned above, the OVIs for the Overall Objective have but a low correlation with the achievement of the project.”

MED/2002/003-396 - Trade Enhancement Programme A (TEP A)

Final Evaluation – January 2008

p. 32 (27)

Also, as previously mentioned, at the request of the beneficiary, additional results were achieved in relation with the competition regime and consumer protection law, which are two relevant institutions to increase competitiveness of Egypt and therefore foster EU/Egypt trade.

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p. 67 (37)

Commission's interventions have contributed to facilitating the development of productive sector activities but Egypt's performance in ease of doing business remained under the regional and income groups' averages

MED/2003/004-150 - Trade Enhancement Programme B, TEP-B

ROM report MR-102329.01

p. 3

TEP-B's OO was identified in the first part of the MC relating to Egypt's macroeconomic framework and it has facilitated the MoF in implementing the necessary mechanisms to increase competitiveness.

...

On the wider scale of society, CAPMAS state that unemployment figures are going down and the situation has clearly improved for the larger exporters/importers in the trading community

Sheet “Effectiveness”

With a pro-business government in place since 2004, the emphasis of the country's ongoing reform program is to keep real GDP growth at a sustainable rate of above 7%. The GDP rate was 3.1% (2002/03), 4.9% in 2005, 5.8% in 2006 and has grown to 7.5% in the first half of 2007/08. Egypt's average weighted tariff level was reduced to 6.9% in February 2007 down from 14.6% in August 2004. The new personal and corporate tax code introduced in July 2005 reduced tax rates by up to 50% cutting the maximum corporate and personal tax rates to 20%. A decline in the budget deficit has been recorded as less than 7.5% of GDP in 2006//7 compared to 10.5% in 2002/03 with a target to cut the budget deficit in half by 2011. The improvement in trade volume is noticeable which has been driven by the strong growth in exports of goods and services.

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p. 15 (8)

Component A:

Objective 3: Integrate gradually the cotton seeds transaction into the overall liberalized textile market.

[Remark: this objective was not achieved due to the resistance by the Egyptian Administration responsible for Quality checks and the subsequent disinterest by the Egyptian private sector]

...

Objective 4:

Strengthen rules at ginning stage in order to improve quality and enhance international reputation of Egyptian cotton.

...

However, the fact that India and Pakistan are the main importers of Egyptian cotton does not encourage Egyptian ginners and exporters to deploy more efforts to further reduce contamination. In both countries imported Egyptian cotton is cleaned by hand as the cost of labour is very low.

Research, Development and Innovation

ROM report MR-107262.01

p. 3

The direct beneficiaries of the Programme are (i) the public and private research and technology transfer institutions and (ii) the Egyptian industrial sector, in particular the small and medium-sized enterprises. The first results of the start-up phase, with broad response to the first two EEIF Calls for Proposals, supported by the RDIN, clearly demonstrate broad access of planned beneficiaries to the services. 6 EEIFF grant projects were awarded under EEIF Grant Scheme 1, while 25 projects under Grant Scheme 2 are proposed for contracting to the ECD. First comprehensive monitoring results should be available at the end of 2009. RDI interacts with beneficiaries and their representative organisations to improve its understanding of the needs in industry and research. The newly launched study on existing practices will enable government to adapt national innovation policy and related laws and regulations to the needs of the parties involved, based on concrete experience.

Sheet "Quality of project design"

The EU funded Research & Development Innovation (RDI) Programme represents one of the key initiatives undertaken by the Ministry of Higher Education and Scientific Research (MHESR). Its aim is to improve innovation culture for the development of competitive products and goods by Egyptian

<p>enterprises.</p> <p>...</p> <p>The Programme is designed to provide relevant inputs to developing the baseline for a new innovation policy. RDI further coordinates its actions with the strategies and principles of the Joint Science and Technology Cooperation Committee (JSTCC) based on the EU/Egypt Science and Technology Cooperation Agreement signed in June 2004.</p>
<p>Sheet “efficiency to date”</p> <p>The direct beneficiaries of the RDI are (i) the public and private research and technology transfer institutions and (ii) the Egyptian industrial sector, in particular the small and medium-sized enterprises.</p> <p>The first results of the start-up phase and the strong response to the first two Calls for Proposals under the EEIF with the support of the established RDIN, indicate that the promotion and reach out activities of the RDI have provided broad access of all planned beneficiaries to the services right from the start.</p> <p>...</p> <p>The positive response from industry confirms that industrialists realize the benefits from collaboration with research for innovation for the first time in Egypt. This is a main change stimulated by the RDI Programme activities already. First comprehensive results should be available for evaluation at the end of 2009.</p>
<p>ROM report MR-107262.02</p>
<p>p. 2</p> <p>There are good longer term prospects for very a very positive impact of the project on the OO, although a significant delay must be expected between the RDI project and its impact on growth and competitiveness and (ii) measuring such an effect is extremely difficult, and is certainly not possible with some existing OVIs (GDP growth, Egyptian world market share) and hardly easier with the two others (evolution of high tech products in Egyptian exports, R&D innovation expenditures).</p>
<p>Sheet “Impact Prospects”</p> <p>A positive impact is extremely likely, as the project has given impulse to a cooperation between industry and university, and has given to the Egyptian scientists a better access to international funding and networking. It is much too early, however, to see such impact today. As mentioned above, the OVIs for the Overall Objective have but a low correlation with the achievement of the project.</p>

2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

<p>Summary:</p> <p>Component B of the Spinning and Weaving Sector Support Programme (SWSSP was “Restructuring of the SW sector”, which envisaged large scale privatization and restructuring of the SW industry to make it well-managed, profitable and internationally competitive. The privatization was stopped after workers of different companies and plants went on strike.</p> <p>Restructuring included organisational restructuring, financial information and business planning, senior management and conditions, working capital management, information technology, operational standards.</p> <p>In light of the planned privatisation, the Egyptian Government stopped all investments into the SW sector. A sector which operates with outdated technology.</p> <p><i>“The principal Objective, to create conditions in which a strengthened national SW Sector would be able to</i></p>
--

compete globally, was ambitious but consistent with Government's official policy.” However, more could have been done to increase productiveness and competitiveness.

At the same time, global market conditions saw an unfavourable development: “A ‘full comprehensive impact’ became increasingly impossible to achieve during the period of the SWSSP, principally due to greater global SW competition following changes to WTO Global Trading Rules in 2005 and the strong emergence of Chinese and other Asian producers, latterly coinciding with the Global Credit Crunch.”

Furthermore:

“The SWSSP essentially became hostage to such international and domestic factors at all the closely inter-related stages of the cotton value-chain. Global demand for Lint decreased, leaving a strongly contracting ‘chaos’ in the cotton growing sub-sector as noted above; whilst global price competition for cotton yarn, textiles and apparel diminished export markets and attraction of Egyptian S&W facilities to foreign and domestic investors”

But also:

“On the other hand the SWSSP resulted in the considerable speeding up of excess labour reduction (see § 2.4.3 below), inducing a much faster than expected reduction in labour costs, thereby allowing several factories to cover their operating costs. Some factories have even been able to reach financial equilibrium, and have maintained the presence of Egyptian products on niche markets in Europe, in spite of their using outdated equipments. With limited investments, they could become profitable and be sold to private investors (sec§ 2.5.2 below).”

The Final Evaluation of the SWSSP also states that there are some firms with the potential to be internationally successful in providing niche textile products (some are still exporting such products to Europe), building on the availability of high quality Egyptian cotton. However, facilitating this would need further technology, design and trade support.

MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt

Final Evaluation - December 2009

p. 38 (31)

Effectiveness of Component B – restructuring of the SW sector:

The primary observation, as discussed particularly in para. 2.3.4 below, is that the Social component of the Project has been highly Effective, but we do not see a corresponding engagement in Technological and Trade Support. The reason for this may be circumstantial, viz., just as the Programme was gearing-up into its implementation phase, global trading conditions impacted upon the Sector to such an extent that the orientation of the Programme became Social.

p. 42 (35)

A higher proportion of redundancies could have been- as was the original Programme intention - more directly related to the question of increasing productivities and competitiveness of existing companies, particularly those which still have clear potential to succeed in global markets. This interpretation is now clearly understood in factories where technology up-grading has taken place and

where per capita output may be increased by factors in the range say 5 - 10, dependant upon the specific production stage and technology. Of course, in terms of overall production costs, any labour cost savings are to some extent offset by the high capital equipment refurbishment costs essential to attain global competitiveness.

p. 43 (36)

As a conclusion, we can say that we see the Programme objectives as being much more comprehensive and fundamental than has been achieved. In general terms, there is a real and important gap between the overall and specific objectives and the results as given, based upon the Conditionality met.

p. 45/46 (38/39)

Component B: restructuring of the SW sector

The principal Objective, to create conditions in which a strengthened national SW Sector would be able to compete globally, was ambitious but consistent with Government's official policy. The energy and approach to the execution was actually consistent with this aim. Yet attainment of these objectives has to some extent been delayed. A 'full comprehensive impact' became increasingly impossible to achieve during the period of the ST.YSSP, principally due to greater global SW competition following changes

to WTO Global Trading Rules in 2005 and the strong emergence of Chinese and other Asian producers, latterly coinciding with the Global Credit Crunch.

The SWSSP essentially became hostage to such international and domestic factors at all the closely inter-related stages of the cotton value-chain. Global demand for Lint decreased, leaving a strongly contracting 'chaos' in the cotton growing sub-sector as noted above; whilst global price competition for cotton yarn, textiles and apparel diminished export markets and attraction of Egyptian S&W facilities to foreign and domestic investors

p. 46/47 (39/40)

Another approach to the evaluation of the impact of Component B is to assess whether similar results would have been achieved in the absence of the SWSSP. In terms of privatisation transactions, results would probably have been generally equivalent, because it is clearly the strategy of the Government to withdraw from industrial operations as quickly as possible. Outside constraints are the main reason behind the relatively limited number of privatisation transactions that were achieved. On the other hand the SWSSP resulted in the considerable speeding up of excess labour reduction (see § 2.4.3 below), inducing a much faster than expected reduction in labour costs, thereby allowing several factories to cover their operating costs. Some factories have even been able to reach financial equilibrium, and have maintained the presence of Egyptian products on niche markets in Europe, in spite of their using outdated equipments. With limited investments, they could become profitable and be sold to private investors (see § 2.5.2 below).

...

P 48 (41)

Sustainability of Component A

It should be stressed again that the quality of Egyptian cotton is an essential competitive advantage for the national spinning and weaving sector and also for downstream industries. It is crucial for those industries and for the entire cotton sector that swift action be taken to

implement identified solutions to the long identified problems of the cotton sector. It will be a long and difficult undertaking. But hundreds of thousands jobs are at stake.

p. 49 (42)

The two companies therefore represent, even in to-days' global marketing conditions, capabilities (or survival across the spectrum of sophisticated niche textile products of interest to global markets, as is still being proven by both the above companies' continued sales in EU Countries ..

These in the Public Sector are demonstrably Sustainable and with further Technology, Design and Trade Support could deliver even more of the same in the same hands - or even more or less (Privatised into relatively unknown hands!

...

2.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

Summary:

- Component C of the Spinning and Weaving Sector Support Programme was explicitly designed to deal with social and employment aspects of the sector support programme. The final evaluation describes the efficiency of component C as “very good”, the effectiveness as “excellent”, the impact as “remarkable” and states that “Obviously priority was given to Component C”.
- ROM report MR-107262.01 for Research, Development and Innovation (RDI) Programme states “The RDI addresses and supports female researchers. Gender equality is a respected principle with the guiding principle to respect the professional requirements in research and for innovation promotion.”

MED/2004/006-223- Spinning and Weaving Sector Support - Egypt

Financing Agreement

p. 21

Component C – active social treatment of redundancies

The third is essential and constitutes a key driver for the whole restructuring process, in as much as it deals with the social dimension.

It is clear that either through sale of assets, where deemed necessary, or through privatisations, redundancies will appear in the publicly owned companies and will have to be dealt with. To that effect, the programme will include a measure by which the Government will agree with the Social Fund for Development a strategy by which, on behalf of the HC, labour pools will be created and managed by the SFD. This conditionality is directly based on the previous experience of the SFD with the HC and will benefit directly from lessons learnt from the past.

...

The Strategy and the Action Plan should be guided at all times by the social concerns and the importance to ensure that all industrial, technological and trade advancements in the textiles sector provide for employment generation and increased social well-being (in particular for former employees of the public sector spinning and weaving companies).

MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt

Final Evaluation - December 2009

p. 38 (31)

The above strongly impacted the efficiency and the effectiveness of the SSWP. Generally, the overall efficiency of the SWSSP can be considered as:

- Limited for Component A, although most conditions were fulfilled
- Good for Component B, taking into account outside constraints

- Very good for Component C, for the reasons stated below.
Research, Development and Innovation
ROM report MR-107262.01
Sheet "Potential Sustainability"
The RDI addresses and supports female researchers. Gender equality is a respected principle with the guiding principle to respect the professional requirements in research and for innovation promotion.

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

Summary:
<ul style="list-style-type: none"> Regarding the recommendations of the final evaluation of TEP A, it seems that this issue was not fully addressed
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Mid-Term Evaluation – September 2006
p. 41
Recommendations:
A clear trade development policy, covering also poverty reduction requirements, should be reflected by TEP-A activities: Activities undertaken should, whenever possible, enable the PSU to establish benchmarks for progress achieved (e.g. to deliver a negotiating position on Trade in Services) in an overall Trade policy context.
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Final Evaluation – January 2008
p. 49
Recommendation Component 3 - WTO
Specialised focus on broad-based development and poverty reduction could be usefully taken into consideration in the design of upcoming assistance programmes.

2.9.3 JC 9.3 - TRA supported enforcement of ILO standards

2.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

2.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

2.10 Further important findings/text extractions, not attributable to one specific indicator

Summary:
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Mid-Term Evaluation – September 2006
<p>p. 6</p> <p>Lessons Learned</p> <p>The Pilot 'multiple components' structure of TEP-A has proved to be a 'success story'. The Key success factors for the implementation of TEP-A seem to have been (1) flexibility, the (2) close monitoring of results achieved, (3) active and institutional interaction with the Private sector, (4) overall programme management structure and efficient decision making procedures, (5) the strategic level of the counterpart of PSU The development of a Trade Development Strategy is considered an important element for the coherence of the efforts made in different components of Government support to Trade.</p>
<p>p. 7</p> <p>Guide for future interventions in Trade Enhancement:</p> <p>Guidelines for future interventions highlight the importance of:</p> <ul style="list-style-type: none"> • Trade policy Development, covering integrated support to both the public and the private sectors within the framework of consistent international trade agreements; <ul style="list-style-type: none"> • Appropriate Governance reforms, providing an efficient policy formulation and implementation structure; • A broad reaching communications policy, strengthening the interaction of the public administration and the all the private sector components concerned with trade; • The development of a ThinkTank (Technical Advisory Group) for the design of performance-related reforms.
Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)
Final Evaluation – January 2008
<p>p. 6 (vi)</p> <p>The principle lessons learnt are that we need improved communication and cooperation, likewise understanding. This, along with a feeling of partnership with client and implementers, would seriously improve development performance.</p>
Trade Enhancement Programme C - Technical Assistance for Customs Reform (TEP-C)
Final Evaluation – January 2008
<p>p. 30 (23)</p> <p>The support and commitment of Egypt's top political leadership to the transformation of customs, from a traditional revenue collection agency to a modern trade facilitation agency, has been essential for the success of this initiative.</p>

2.10.1 Design of projects and programmes

Summary:
MED/2004/006-223 - Spinning and Weaving Sector Support - Egypt
Final Evaluation - December 2009
p. 36 (29)
<p>The MALR (Ministry of Agriculture and Land Reclamation) was involved in the negotiations but were not identified as a Beneficiary of the SWSSP. The Beneficiary as per the Financing Agreement was exclusively the Ministry of Investments. All this resulted in an unbalanced Component A, and a very limited support from the MALR. Furthermore, the SWSSP was implemented under three different Ministers of Agriculture each of them having different views and priorities for the implementation of the agreed policy. This considerably hampered the activities under Component A.</p> <p>As per the Financing Agreement, the main expected result of Component A was that "The Egyptian textile industry, in particular the spinning and weaving sectors, benefit from an efficient, sound and high quality cotton sector". Activities and conditionalities retained under Component A were far from matching such ambition. A report dated February 2008, financed by the EC Delegation, <i>Technical Assistance for Identification and Formulation of a Sector Strategy for Cotton sector in Egypt</i>, gave indications of areas in which the SWSSP could presumably have been called upon as early as 2004. These could possibly have included measures under Crop Production, Seed Production, Cotton Research I Breeding, Extension Services, Ginning and Marketing. It is regrettable that SWSSP funds were not directed in such ways. However, we have to admit that what was retained in the matrix was a priority form the point of view ofthe Egyptian Government at that time.</p>

Summary:
<ul style="list-style-type: none">• The mid-term evaluation of TEP A states that there has not been appropriate interaction of the different components of the programme
MED/2002/003-396 - Trade Enhancement Programme A (TEP A)
Mid-Term Evaluation – September 2006
p. 37
Conclusions:
<p>The TEP-A is strongly compartmented, as seems to be the public administration as a whole. An exception to this are the two departments concerned with trade negotiations. Insufficient cross-fertilisation Is achieved between the different project components, while a number of issues have been found to be of common interest to the different sectors, in particular in the context of Trade-led development.</p> <p>It is clear that there are important advantages to be expected from interaction between Export Promotion Agencies and the Trade Agreements Sector in the MTL.</p> <p>In this respect, it has been found that each component of the TEP-A was operating with an insufficient overall policy-referenced backdrop. It could be of common interest to deliver components found to be parts of a common strategy.</p>
p. 39

Key lessons learnt:

The organic structure of TEP-A has been established on the basis of a comprehensive support to trade development. It has taken for granted that each 'component' of the trade supporting pattern would be in a position to play its role and that appropriate interaction would take place between each component.

This has not been the case and the importance of some components are not well understood by strong actors of other components. The Public Service (MTI Negotiation Services and ECS) and the Private Sector often have different understandings of support required for the development of Trade.

It is essential for the achievement of expected results that an overall authority coordinates the institutions supportive of trade and delivers the appropriate common approach to trade development. This role is to be played by the Steering Committee, that must lead the coordinated effort.

CSE

p. 56 (26)

Complementarities were generally not foreseen in the design of bilateral interventions, and, when foreseen, they were not clearly spelled out. At implementation stage, complementarities between bilateral interventions were the result of ad hoc initiatives.

...

TEP-A referred to the common umbrella established by the IMP which focused on the capacity building of Egyptian enterprises to increase their competitiveness whereas TEP-A focused on the capacity building of the GoE to provide the services required by private enterprises to export;

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>	<i>TAP</i>	<i>Evaluations</i>	<i>ROM</i>
Trade Enhancement Programme A (TEP A) - MED/2002/003-396	Financing Agreement, Terms of Reference, Technical and Administrative Provision	Mid-Term Evaluation – September 2006; Final Evaluation – January 2008	ROM report MR-010287.01; ROM report MR-010287.02; ROM report MR-010287.03
Trade Enhancement Programme B, TEP-B MED/2003/004-150	Financing Agreement, Terms of Reference, Technical and Administrative Provision		ROM report MR-102329.01
Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C) MED/2003/005-714	Financing Agreement, Terms of Reference, Technical and Administrative Provision	Final Evaluation – January 2008	
Spinning and Weaving Sector Support - Egypt MED/2004/006-223	Financing Agreement, Terms of Reference, Technical and Administrative Provision	Final Evaluation – September 2009	ROM report MR-010460.01; ROM report MR-010460.02
Research, development and innovation MED/2006/018-252	Financing Agreement; Technical and Administrative Provision		ROM report MR-107262.01; ROM report MR-107262.02

3.1.2 Further Documentation regarding Commission's support

Country Strategy Evaluation of Egypt 2010

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Country Fiche

GHANA

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2.6	EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?	37
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1 Introduction

Trade seems to be an important sector in Ghana due to the export of cocoa, oil and gold (PSTEP FA: “In 2005, trade as percentage of the GDP was high internationally at 80%”) Also for the European Union trade is an important field in Ghana, as e.g. the PSTEP, which supports the implementation of the Private Sector Development Strategy (PSDS), especially focuses on trade. According to the project documentations, macroeconomic performance in Ghana developed positively over the last years.

The Two main interventions addressing trade-related assistance in Ghana are the Private Sector and Trade Enabling Programme (PSTEP) and the Ghana Cocoa Sector Support Programme - Phase II. The first programme falls into the category of Trade-related adjustment and the second is trade development. Both programmes addressed micro-, meso- and macro-level in regard of trade-related assistance. The CSSP achieved its envisaged outcomes best on the micro-level and also the PSTEP had problems to strengthen the enabling environment for trade. Lack of capacity at the implementing partner’s side was one big problem for PSTEP and the time-consuming process of improving legal and political circumstances for trade were problematic in both programmes. While for the PSTEP the 2009 tranche was reduced due to not achieving the performance indicators, the CSSP was rated as good in the ROM documentation.

1.1 Country Overview

	2004	2005	2006	2007	2008	2009	2010
Exports Volume Index	105.9	108.7	132.1	133.7	120.5	134.4	163.0
Imports Volume Index	122.4	145.1	170.3	188.2	206.3	177.0	220.2
GDP per Capita in current US \$	420	495	920	1,085	1,226	1,090	1,325
Exports in % of GDP	39	36	25	25	25	29	29
Imports in % of GDP	60	62	41	41	44	42	41
FDI net inflows in current 1000US \$	139,270	144,970	636,010	855,380	1,220,400	1,684,740	2,527,350

Export volume indexes are derived from UNCTAD's volume index series and are the ratio of the export value indexes to the corresponding unit value indexes. Unit value indexes are based on data reported by countries that demonstrate consistency under UNCTAD quality controls, supplemented by UNCTAD's estimates using the previous year's trade values at the Standard International Trade Classification three-digit level as weights. To improve data coverage, especially for the latest periods, UNCTAD constructs a set of average prices indexes at the three-digit product classification of the Standard International Trade Classification revision 3 using UNCTAD's Commodity Price Statistics, international and national sources, and UNCTAD secretariat estimates and calculates unit value indexes at the country level using the current year's trade values as weights. (2000 = 100)

	Rankings of the Global Competitiveness Report of the World Economic Forum (WEF)						
Ghana	2004	2005	2006	2007	2008	2009	2010
Rank	68	59	/	/	102	114	114
total number of countries	104	117	125	131	134	133	139

WTO membership Yes, since 1.1.1995

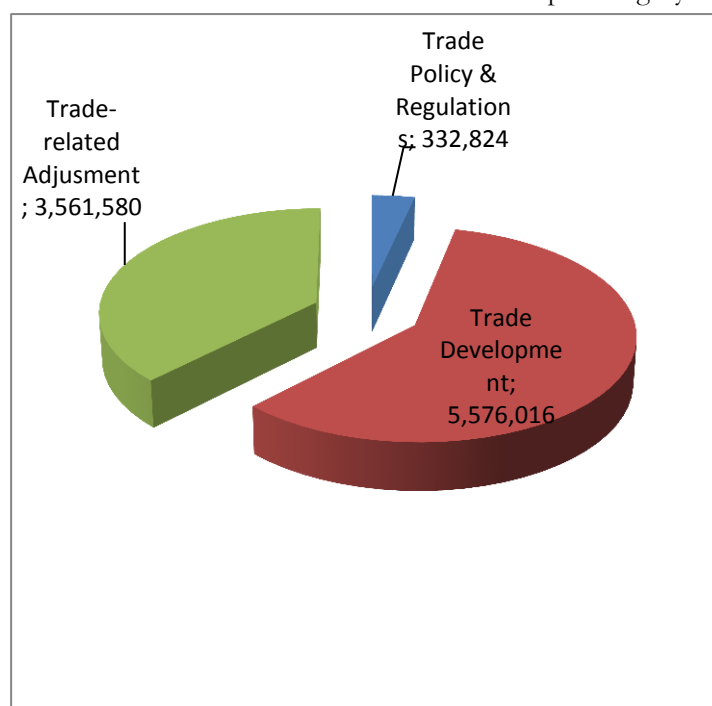
1.2 Commission's TRA to Ghana between 2004 and 2010

1.2.1 Contribution per sector, modality and channel

1.2.1.1 Breakdown per Category

Year	Trade Policy & Regulations	Trade Development	Trade-related Adjustment	Grand Total
2006		724.458		724.458
2007			3.500.000	3.500.000
2008	209.625	3.913.106	9.710	4.132.441
2009	59.979	75.203		135.182
2010	63.220	863.250	51.870	978.340
Grand Total	332.824	5.576.016	3.561.580	9.470.421

Total volume of contracted amount 2004-2010 per category



1.2.1.2 Breakdown per Modality

Row Labels	Project	SBS	Grand Total
2006	724.458		724458
2007		3.500.000	3500000
2008	4.132.441		4132441,45
2009	135.182		135181,76
2010	978.340		978339,65
Grand Total	5.970.421	3.500.000	9.470.421

1.2.1.3 Disbursement Rate

Year	Amount contracted in €	Amount paid in €
2006	724.458	495.676
2007	3.500.000	3.500.000
2008	4.132.441	1.859.287
2009	135.182	135.182
2010	978.340	456.929
Grand Total	9.470.421	6.447.073

Disbursement per Category

Row Labels	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	332.824	241.863
Trade Development	5.576.016	2.649.630
Trade-related Adjustment	3.561.580	3.555.580
Grand Total	9.470.421	6.447.073

Disbursement per Modality

Row Labels	Amount contracted in €	Amount paid in €
Project	5.970.421	2947073,47
SBS	3.500.000	3500000
Grand Total	9.470.421	6.447.073

Disbursement per channel

Row Labels	Amount contracted in €	Amount paid in €
Government	4.686.844	4.025.487
Research Institution/University	3.550.000	1.553.264
NGO/Association/Chamber/Foundation	724.458	495.676
Private Company	509.119	372.646
Grand Total	9.470.421	6.447.073

1.2.2 Important TRA interventions in Ghana

Table 27 Overview of Commission's most relevant TRA interventions in Ghana

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Committed amount for the intervention</i>
Private Sector and Trade Enabling Programme (PSTEP)	FED/2006/018-609	3.898.402
Ghana Cocoa Sector Support Programme - Phase II	FED/2007/019-650	4.746.469

Source: CRIS database, Particip GmbH analysis

1.3 Description of main EC intervention

1.3.1 Intervention no 1

Title: Private Sector and Trade Enabling Programme (PSTEP)

Budget: 5 M€; The budget was reduced to 4 M€ due to the non-achievement of the performance indicators for the 2009 tranche.

Start and end date: 2007 - 2009

Objectives and expected results:

Overall objective:

The main objective of the PSTEP is, as it is for the PSD and Trade Strategy, to improve the enabling environment to do business and invest in Ghana as well as to contribute to the upgrading of its competitiveness and to the stimulation of its exports.

Specific objective:

This is to be achieved through a series of reforms in the legislative and regulatory framework by building the capacity of civil servants to respond to private sector needs and ensuring a stable macro economic environment that would enable business to grow. Within the framework of the PSD Strategy, the purpose of the EC is to promote the results through a bonus linked to both performance indicators and GOG funding to the sector.

The specific objectives focus more on the areas of intervention that include interventions related to i) trade related assistance; ii) conformity to international standards; iii) enabling business and trade environment; iv) capacity building; v) Monitoring and evaluation; and vi) improved data collection. The SPSP will support Ministries, Departments and Government Agencies (MDAs) that carry out those activities considered and monitored to upgrade the competitiveness and stimulation of exports.

Expected results:

The PSTEP responds to Government's plan to strengthen the regulatory and legal framework and the institutional capacities of key MDAs to ensure the timely and effective implementation of the PSD and trade strategies. This would include interventions related to trade related assistance, conformity to international standards, enabling business and trade environment, capacity building, M&E and improved data collection. The main outcomes of the PSD Strategy should therefore be the reduction in the cost and time to register, open and close a business; to transport, import and export goods; to resolve court cases; to comply with global standard requirements; a greater access to credit; a better management of land titles.

Although the PSTEP is not an earmarked programme aiming at targeting specific areas, the EC will encourage GOG – within the dialogue around the PSD and trade strategy – to undertake the necessary activities to meet the above-mentioned targets (2009 tranche) and, for that purpose, to increase its funding to the sector (2007 and 2008 tranches). In that context, particular attention will be drawn to regional developments and actions undertaken at ECOWAS level to ensure complementarity of interventions and to avoid potential overlaps.

The expected Results (R) are as follows:

R1: Increase the share of non-traditional exports in total exports, covers all exports excluding cocoa beans, logs, lumber, electricity and raw minerals;

R2: Reduce the time and the bureaucracy necessary to export in Ghana. Improving the efficiency especially in what concerns the amount of export documentation and clearance process;

R3: Reduce the time and the bureaucracy necessary to import. Improving the efficiency especially in what concerns the amount of import documentation and clearance process;

R4: Reduce the time and the bureaucracy necessary to register a business. Improving the efficiency to complete four critical steps for registering a limited liability company, up to obtaining certificate to commence business;

1.3.2 Intervention no 2

Title: Cocoa Sector Support Programme

Budget: 5 M€

Start and end date: 08/2010 – 12/2013

Objectives and expected results:

Overall objective: The project aims to contribute to an improved livelihood of smallholder cocoa farmers and an improved sustainability of cocoa production in Ghana.

Specific objective:

Expected results: The expected results are an increased adoption of sustainable cocoa production methods and an improved cocoa sector governance and strategy.

Activities:

The project will focus on the following activities:

- 1.a Intensify extension to cocoa farmers through participatory training methods and tools;
- 1.b Address the environmental and social impact of cocoa production;
- 1.c Improve farmers' access to high quality hybrid cocoa planting material;
- 1.d Support replanting a large area with hybrid cocoa varieties in former cocoa growing areas;
- 2.a Strengthen governance and management capacities of existing and emerging cocoa farmers and community-based organisations;
- 2.b Strengthen service provision capacity of cocoa farmers organisations;
- 2.c Foster vertical integration of cocoa farmers organisations in cocoa sector governance structures;
- 3.a Support participatory cocoa sector strategy formulation;
- 3.b Carry out specific cocoa sector studies.

Component 1:

CSSP II is implemented by IITA and by Cocobod. The IITA component targets small farmer groups in eight districts. It is directed at a) intensifying extension to cocoa farmers via training; b) addressing environmental and sustainability aspects of production; c) improving farmer access to hybrid planting material; d) supporting replanting of cocoa and of re-forestation, e) facilitating better self-organisation via creation of farmer groups at community level, and f) strengthening cocoa-related service organisation e.g. inputs, logistics, credit etc. Farmer adoption of intensification technologies via community-located mechanisms is emphasised. Mechanisms consist of new training tools such as Video Viewing Clubs (VVCs), Farmer Field Schools (FFS), Farmer Business Schools (FBS) and training of trainer (ToT) programmes. Technical assistance is also provided for farmer group formulation and the IITA-assigned CSSP II coordinates planting material supply.

Component 2:

Cocobod implements the other component through its research arm, the Cocoa Research Institute of Ghana (CRIG) and through its seed production unit (SPU). CSSP II-Cocobod assistance is being directed at strengthening research capacity and at improving SPU's capacity to deliver hybrid pods and new seedlings to farmers, especially those adopting IITA extension tools and methods on their farms. CSSP II will support CRIG a) development of improved varieties, b) hybridization of selected parents, c) on-farm testing of progenies, d) biochemical analyses of bean quality, e) raising of buddings and f) propagation of parents of best progenies. The programme will also support SPU's a) expansion of productive capacity of

seed nurseries, b) supply of adequate improved planting materials for replanting programmes by STCP-2 and Cocobod's Cocoa Swollen Shoot Virus Disease unit, and c) rehabilitation of three existing irrigation systems.

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

Summary:

- PSTEP is supporting the implementation of PSDS and in line with the CSP/NIP.
- PSTEP is addressing weaknesses on the partner's side (FA p.4)
- PSTEP concentrates on trade, which is the first output of Ghana's PSDS
- CSSP is in line with GOG's policies in agriculture and cocoa sector, and addressing trade as cocoa is Ghana's largest earner of foreign currency

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Financing Agreement

p.2:

The Private Sector and Trade Enabling Programme (PSTEP) proposes to provide Sector Budget Support (SBS) of 5 M€ for the period 2007-2009 to support the implementation of the Government of Ghana's Private Sector Development Strategy (PSDS) signed on October 22, 2002. The PSDS seeks to achieve sustainable and equitable private sector-led growth addressing Ghana's objective to achieve middle-income status by 2012. The PSDS incorporates efforts to strengthen trade capacity, judicial reform, public sector reform and private sector development, aimed at improving the investment climate and enhancing the competitiveness of the private sector.

p.1

The proposed support is fully consistent with the CSP/NIP, which identifies "Private Sector Development" as one of the non-focal sectors.

p. 4

The main problems hampering private sector development in Ghana are listed in the GPRS II as follows: (i) the complexity and non-transparency of regulations or the inadequate information on them; (ii) the lack of access to credit; (iii) the weak and inadequate capacity within the public sector to formulate, implement monitor and evaluate private sector policies that explicitly take into account the specific needs of enterprises; (iv) the weak commercial dispute resolution system; (v) the insecurity and vulnerability in the informal private sector; (vi) the weak linkages between the informal and the formal sector activities; (vii) the lack of social protection in the informal sector; (viii) the weak institutional and regulatory framework for small business management.

p. 31

Of particular interest to the Commission is the strategic focus on trade, the first output of the PSD Strategy (Enhance Ghana's position in global and regional markets). Trade support is considered as a fundamental and integral means to sustained private sector development, enhancing Ghana's global competitiveness and encouraging inward investment. Ghana's comparative advantage in terms of proximity to Europe and preferential market access, combined with the relevance of Europe for the export of timber, fishery, cocoa and horticultural products makes vital for Ghana to improve its compliance with EU regulation and standards and to be able to compete in the global market to maintain and possible expand its market share. The Trade Sector Support Programme (TSSP) is designed to address some of the more structural bottlenecks that have so far hampered Ghana to properly benefit from market opportunities. It aims at strengthening the institutional environment for trade, the productive capacity through intervention ranging from improving the quality of products, diversifying

production, improving logistics and marketing, facilitating trade in the region and globally, protecting consumers and intellectual property rights.

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

MTE

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The objective of contributing to improved livelihoods through farmer adoption of sustainable cocoa production methods is consistent with and supportive of GoG's policies and strategies, especially the GPRS II and its replacement, the GSGDA I. Specifically, it is consistent with the GPRS II private sector development pillar where agriculture is expected to lead to growth and structural transformation of the economy.

CSSP II is in line with GPRS II intervention areas for modernising agriculture such as reform of land acquisition and property rights, enhancing access to credit and inputs for agriculture, promoting selective crop development, increasing access to extension services and restoration of degraded areas of the environment. It is also aligned with the GSDGA I (2010 – 2013)'s objective of accelerated technology-driven agriculture sector modernisation.

CSSP II is allied with FASDEP II policy objectives, namely a) improved growth in incomes; b) increased competitiveness and enhanced integration into domestic and international markets; c) sustainable management of land and environment; science and technology in agriculture development and improved institutional coordination. However, while remaining committed to enhancing cocoa competitiveness, emphasis is also being placed on expanding cereals and other cash crop production for food security and export development reasons in line with GSDGA I.

Background Conclusion Sheet ROM 2009

Quality

Cocoa is Ghana's largest earner of foreign currency, before gold and oil. As the country has a negative balance of trade, the inflow of these funds is of crucial importance for the procurement of vital staple commodities such as rice, oils, meat etc., of which Ghana is a net importer. It fits well into government policies such as those formulated in the "Cocoa Sector Development Strategy" and the "Food and Agricultural Development Strategy FASDER".

The EC's general OO is met in an exemplary manner, as continuation on the current path will lead to a serious erosion of market share at the benefit of aggressively expanding Indonesian and Vietnamese cocoa growers.

The project targets the productivity of the cocoa sector to improve livelihood of Ghana's ca. 880,000 cocoa-farming families through intensification of the production in order to double or triple the production output per ha. The target group "cocoa farmers" needs have been correctly identified and are met.

Sustainability

The Government of Ghana naturally has welcomed the project, especially since it fits well into the national agricultural strategy. Due to the nature of the project, governmental bodies are heavily involved as project partners.

As the cocoa sector and its transforming industry are the agricultural backbone of Ghana, the policy support for the sector will continue.

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

Summary:

- Regular joint reviews of PSDS were foreseen
- Before the start of PSTEP a trade-related needs assessment mission took place in Ghana

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Financing Agreement

p. 8

Capacity weaknesses will be closely monitored through joint reviews and partially offset by technical assistance provided by DPs (see Annex L);

p. 11

The DP Group quarterly reviews progress on implementation of the PSD Strategy jointly with the PSD Strategy OC through the PSD Strategy Working Group and the bi-annual Joint Review Meetings (JRM). In these occasions, donors also approve the annual CWP. All DPs supporting the PSDS are represented on the PSDS Donor Group.

EAMR

July 2005

p. 3

A Trade Related Needs Assessment Mission visited Ghana in February as part of a worldwide exercise organised by DG Trade to define common needs assessment tools for the Commission intervention in TRA. The mission concluded that the process carried out by the Ministry of Trade and Industry to formulate the National Trade Policy had gathered a great wealth of information and there was no need to carry out additional studies to inform future TR interventions.

The Ministry of Trade and Industry is finalising the Trade Sector Support Programme (TSSP), which will guide government's intervention to achieve the seven broad policy areas and 98 policy prescriptions of the National Trade Policy, part of the first output of the National Medium Term Private Sector Development Strategy 2005-2009 (PSDS).

2.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

Summary:

- PSTEP has the same main objective as the national trade strategy, and is supporting GoG's plans in this area
- PSTEP is planned as being complementary with EC regional integration and trade programmes for West Africa, ALL ACP programme and instruments like Trade.com

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Financing Agreement

p. 7

The main objective of the PSTEP is, as it is for the PSD and Trade Strategy, to improve the enabling environment to do business and invest in Ghana as well as to contribute to the upgrading of its competitiveness and to the stimulation of its exports.

[...]

The PSTEP responds to Government's plan to strengthen the regulatory and legal framework and the institutional capacities of key MDAs to ensure the timely and effective implementation of the PSD and trade strategies. This would include interventions related to trade related assistance, conformity to international standards, enabling business and trade environment, capacity building, M&E and improved data collection. The main outcomes of the PSD Strategy should therefore be the reduction in the cost and time to register, open and close a business; to transport, import and export goods; to resolve court cases; to comply with global standard requirements; a greater access to credit; a better management of land titles.

p.10

These assessments and the consultations carried out among the stakeholders led the EC to develop, with GOG, a completely different approach, expected to have a greater impact thanks to:

[...] the complementarity with the planned EC regional integration and trade programmes for West

Africa (particularly in the areas of standards and trade facilitation), the All ACP programme directed to SMEs (CDE and Proinvest) and instruments such as Trade.com.

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

Summary:

- CSSP was assessed as being relevant over time

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

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p. 9/10

This proposal draws on almost two years of evaluations, assessments and consultations on Private Sector Development, Business Development Services and Trade with a variety of stakeholders. In particular, the 2004 Evaluation of nine years of EC intervention in Ghana highlighted the limited results of all-ACP and other local PSD interventions on the development of the private sector.

The evaluation concluded that the Commission's projects have had various degrees of success, being in general effective in delivering their results, but limited in their impact due to their orientation on direct support to private operators instead of addressing the legal and regulatory framework surrounding the private sector. This was evidenced both for projects funded under the NIP and for those funded through other instruments. In other words, the EC's interventions were found to have contributed to the development of micro, small and medium size enterprises, but not to the development, to the diversification or to the growth of business service market and private sector.

It recommended shifting the EC's focus on strengthening the institutional and regulatory environment to enable the private sector to expand as well as further developing non-financial business advisory services.

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

MTE

p 1

CSSP II was relevant to Ghana and EU development priorities and context when it was designed. The focus on infusing technically proven on-farm protocols, aimed at increasingly small farmer productivity, continues to be relevant under the new Ghana Shared Growth and Development Agenda I for 2010 – 2013.

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

Summary:

- Macroeconomic changes took place during the implementation of PSTEP and recommendations were given to adjust the PSDS
- GoG seemed not supportive of discussing transition to new PSDS 2

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Background Conclusion Sheet ROM 2010

Efficiency:

An important number of recommendations and lessons learnt were formulated in different documents (i.e. Review of the National Medium Term Private Sector Development Strategy (RNMTPSDS) (November 2008), 7th Joint Review Meeting (October 2009)). See also e) f). But there is no evidence how it will be addressed in the new PSDS2 as the Action plan for the above has not yet been formulated. The GoG does not seem to show a real interest in discussing the transition of PSDS1 to PSDS2, and how to improve a dialogue that in the past was more about how to improve the pooled fund mechanism rather than on substantial issues facing private sector development.

2.1.2.2 I 2.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

Summary:

- Macroeconomic changes took place during project implementation and GoG reacted
- Recommended actions addressing shortcomings were not followed consequently during the implementation of CSSP

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Background Conclusion Sheet ROM 2010

Efficiency:

At that time it made sense to give particular interest to trade, since PSDS first strategic output was fundamental to EU, and an integral means to achieve sustained private sector development particularly for the implementation of the Economic Partnership Agreement (EPA). Until 2008 the conditions related to progress against macro-economic stability and Public Finance Management remained positive.

[...]

After elections, in 2009, the new elected government of Ghana having realized the size of macroeconomic unbalance, with inflation rising on account of external shocks and strong domestic demand requested assistance from IMF and took up serious measures aimed at addressing the situation.

Relevance

The five performance indicators selected to trigger the performance tranche in 2009, are a sub-set of the PSDP Performance Assessment Framework. Conditions for tranche releases are still consistent with the commonly agreed performance indicators of the SP.

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

Monitoring Report 2010

p. 2

However the project implementation arrangements display some shortcomings, especially regarding the COCOBOD component. This issue was raised in the previous ROM mission but still calls for some measures. The National Steering Committee (NSC) meetings were not held on a regular quarterly basis (3 meetings were organised). This was discussed and resulted in creation of a subcommittee (SC) composed of technical partners which meet quarterly and report to the NSC, but still no decision has been taken regarding the frequency of the NSC meetings. The terms of reference (ToR) for both the NCS and SC formulated with a view to enable viable communication channels need to be clarified.

Background Conclusion Sheet ROM 2010

Horizontal issues

Has any monitoring (including internal monitoring systems or ROM) or evaluation resulted in improvements in the project? – No.

The previous ROM (MR-115862.01 / 17.04.2009) recommended: EU DEL: “ACP-EC procurement procedures should be simplified and unrealistic procurement restrictions (ACP-EC) cancelled. There should be an automatic derogation from ACP-EC procurement rules for these items to avoid situations as at present, where 1.5 years after the project’s start, the motorcycles are still in the tendering process. However, this is not within the EU DEL hands / mandate.

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

Summary:
<ul style="list-style-type: none"> • For PSTEP and CSSP no additional PIUs were established • Capacity building was delivered during PSTEP, but not based on a needs assessment and therefore mainly funded donor-driven initiatives
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
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<u>MOTIPSD&PSI and other MDAs could lack technical capacity to run the Strategy effectively and particularly procurement delays could inhibit its implementation</u> – this is a concern because of the recent creation of MOTIPSD&PSI. Capacity weaknesses, which are addressed through Output 4 of the Strategy, will be closely monitored through joint reviews and should be partially offset by technical assistance provided by DPs. For instance, under the pool funding arrangement, a procurement monitoring system has been put in place and TA is provided to improve capacity of MDAs;
p. 93
It is likely that further technical assistance to MOTIPSD&PSI will be essential to take forward implementation of the Strategy, and the preferred approach will be for GOG to contract this assistance directly. In all cases technical assistance should be set in the context of a broader capacity building programme for the Ministry and other Ministries involved in implementation of the PSDS.
Background Conclusion Sheet ROM 2010
The PSTEP complementary support of € 0.5 M aimed to improve the institutional capacity was not based on any real capacity needs assessment or analysis and soon became a demand driven process. It seems to have mainly funded donor-driven initiatives, such as: (i) a technical assistance package to support negotiations of EPA with GoG (i.e. meetings, seminars, studies); (ii) 3 main studies: Formulation of the PSDS2 resulted in a new EU project namely Trade Related Assistance and Quality Enabling Programme (TRAQUE); Feasibility study and plans for palm oil offering a map of potential processing units to be established in the country, requested by the PS (via MoTI) ; A national banana adaptation strategy and plan of action, whose eligibility under EU-ACP banana accompanying measures has been requested.
Monitoring
Does the SPSP abstain from setting up parallel implementation structures? – Yes. No parallel structures are in place for PSTEP.
FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II
Financing Agreement - TAP
p. 4
The project will be implemented through existing institutions; will not create any new parallel project implementation unit and will use the IITA-STCP2-Ghana programme governance structures.
EAMR
July 2006
p. 4
Objective 3 Avoid establishments of PIUs. EC has a limited number of PIUs(4) and works and discussions are on-going under JAS process to reduce their numbers. It should be noted that the MCA compact (535 MU\$) will be managed outside GoG's procedures and has led to the establishment of a 60

people PIU.

2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

Summary:

- Partner's PFM system is used and was strengthened through assistance of several donors

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Financing Agreement

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Risk: DPs money could be improperly used – beyond the fact that the PSTEP is an untargeted budget support based on performance, the recent strengthening of the PFM system, the monitoring of PFM issues within the MDBS and the continued dialogue between MOFEP and MDAs mitigated the impact of any misuse of DPs money. Though widespread in public life, the corruption is said to be decreasing (Ghana moved up from 70th to 64th from 2003 to 2004 in the Transparency International corruption perceptions index) and appears as relatively low compared to the average for sub-Saharan Africa. Furthermore, the co-existence of a pool funding and aligned projects as well as the regular assessments of country systems limit this risk;

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A Public Financial Management Specialist will be contracted to work with the Implementing MDAs to prepare the Manuals and to provide Public Financial Management capacity building and training.

Background Conclusion Sheet ROM 2010

Efficiency:

A national procurement system is being streamlined to become more competitive and more transparent, and a Central Tender Review Board has been established. The internal Audit Agency has been working since 2004 establishing Internal Audit units in the main line ministries of GoG. The Agency and Board have a strategic plan being implemented. The GoG had as an objective to have by 2010 the MTEF instituted as the bedrock of the budgetary process. The GoG wants such MTEF to allow the Cabinet to make medium term resource allocation on the basis of affordability and inter-sectoral priorities, and that should form the basis for the establishment of sector expenditure ceilings to each budget year.

Monitoring

Is the financial support from the SPSP managed by the PFM system of the partner country? – Yes. However, a significant level of frustration came also from the weak absorption capacity of MDAs and low execution rates, for the activities in line with the Composite Work Plan (due to institutional weaknesses in PFM areas). The lack of insufficient finance management capacity delayed activities and its potential catalyst role towards achieving PSDS objectives through incentives to MDAs.

Monitoring Report ROM 2010

The recent report on the Public Expenditure and Financial Accountability (PEFA) concludes that PFM systems and procedures are fairly sound and improvements in the quality of PFM have been achieved since 2006.

2.1.3.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”

Summary:

- Common M&E framework established by DPS and GoG
- PSTEP: M&E system is established but leaks due to weak baseline data and is not focussing enough on results according to ROM 2010
- CSSP: M&E system was foreseen but ownership not clearly defined (MTE)

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Sector policy / monitoring and evaluation – The framework (see Annex K) operates at two different levels:

- the operational M&E framework includes about 130 input, process and outcome indicators that Government will use to assess progress on each activity listed in the annual CWP as well as MDA's capacity to implement and report on planned activities;
- the strategic M&E framework includes a subset of about 90 indicators derived from the operational M&E framework. The majority of these indicators are outcome and output indicators to be reviewed on an annual or bi-annual basis to assess progress.

p. 8

DPs and the GOG have established a common M&E Framework (objectives, performance indicators and targets, monitoring, evaluation, review and reporting) within the framework of the PSD Strategy (Annex K). The EC will adhere to these arrangements.

p. 54

Participating DPs and the Government have established a common reporting, monitoring and review mechanism within the framework of the PSD Strategy. Highlights of the monitoring and evaluation arrangements, performance indicators and targets to be used for monitoring progress are specified in Annex D to this MoU. The overall M&E Framework; targets, performance indicators and monitoring and evaluation arrangements, will be finalized by the Ministry for Private Sector Development and President's Special Initiative and the PSD Strategy Working Group within three months of the coming into effect of this MoU and validated at the November 2005 Joint Review Meeting.

Background Conclusion sheet ROM 2010

Efficiency:

A Management Information System (MIS) for M&E has been installed and replicated on those key Ministries, Departments and Agencies involved in the implementation of PSDS with the support of donors. The monitoring system risks appeared difficult to implement. In fact, it was mainly aimed to trigger disbursement rather than to monitor results that eventually may sustain financial support.

Relevance

A Management Information System (MIS) for Monitoring and Evaluation (M&E) is in place and improved thanks to the SP and PSTEP. However, the baseline survey to capture and provide data is weak relying mostly on the Ease of Doing Business Survey (World Bank) that compares but neglects many aspects of the private sector development, many of those pertinent to MDAs performance, going further to registering businesses or trading across borders. The calendar of program reviews is well established and defined, and aligned with the budget cycle. However, the last review meeting took place in October 2009.

Impact

A Management Information System (MIS) for M&E has been installed and replicated in those key Ministries, Departments and Agencies involved in the implementation of PSDS with the support of donors, namely of the World Bank (WB). However the baseline survey to capture and provide data is still proving a challenge. The monitoring system in place risks not only being difficult to implement, but may trigger the wrong type of incentives, triggering performance for disbursement purposes rather than to monitor results that eventually may sustain financial support as well.

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p. 6

Monitoring and evaluation are a core activity of the IITA-STCP2 programme. Performance indicators have already been developed, including indicators regarding the achievement of cross-cutting issues, but they will be further improved during the start-up phase of CSSP2. In addition, a baseline survey will be carried out during the start-up phase. It will recommend key indicators, able to measure the impact of the activities under CSSP2. An impact survey will be carried out at the end of the implementation phase on the basis of these indicators.

The NAO and the EC Delegation will monitor on a regular basis all CSSP2 activities with a view to ensuring adherence to the agreed budget, activities and time schedule.

IITA-STCP2 and Cocobod will present quarterly progress report for review by the National Steering Committee.

One external evaluation by independent experts will be conducted at the end of the programme.

MTE

p. 2

Because the required baseline survey for the overall programme was not done an ex-post assessment of impact will have to rely on a combination of subjective information and IITA's monitoring and evaluation (M&E) output data. Such an approach would be inadequate because the OVIs would not have been "base-lined" in the first place.

p. 13

As stated in the technical and administrative provisions (TAPs) of the FA, Monitoring and Evaluation (M&E) was seen as a core activity of IITA-STCP-2. However, it was unclear whether CSSP II overall M&E responsibility had been assigned only to IITA or was to be split between that organisation and Cocobod. A baseline survey was to be completed by the end of the start-up phase of implementation. But while IITA had articulated its own proposed M&E system in *Description of the Action* in Annex 1 to the NAO/IITA Grant Agreement, the baseline survey was not carried out. Instead IITA set LOP targets for its interventions in the body of its CSSP II work plan (i.e. Annex 1).

2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi-year frameworks

Summary:

- Disbursement was bound to achievement of indicators
- For PSTEP, only a limited tranche was paid in 2009 due to not achieving the specific conditions
- For PSDS1 only US\$18 M were disbursed out of planned US\$ 30 M (ROM 2010)

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Although the PSTEP is not an earmarked programme aiming at targeting specific areas, the EC will encourage GOG – within the dialogue around the PSD and trade strategy – to undertake the necessary activities to meet the above-mentioned targets (2009 tranche) and, for that purpose, to increase its funding to the sector (2007 and 2008 tranches).

p.13:

Disbursement	2007	2008	2009
"Additionality tranche"	1.0 M	1.0 M€	-

<i>Reference of the arguments</i>	<i>Budget 2007</i>	<i>Budget 2008</i>	-
<i>Review</i>	<i>Early 2007</i>	<i>Early 2008</i>	-
"Performance tranche"	-	-	2.5 M€
Share of non traditional exports	-	-	0,5 M€
Time taken to export	-	-	0,5 M€
Time taken to import	-	-	0,5 M€
Time to re-stimulate a business	-	-	0,5 M€
Budget execution rate	-	-	0,5 M€
<i>Reference of the targets</i>	-	-	2007
<i>Review</i>	-	-	March-April 2008
PER ANNUM	1.0 M€	1.0 M€	2.5 M€
INSTITUTIONAL SUPPORT, EVALUATION & AUDIT = 0.5 M€			
ROM 2010 Synopsis			
<p>However, during the joint assessment review for the disbursement of the Performance Tranche in 2009, the EU Delegation concluded that the specific conditions had not been met, and a commensurate disbursement for the Performance Tranche would be limited to 1.5 M€, meaning that 1.0 M€ would not be paid.</p>			
Background Conclusion Sheets ROM 2010			
<p>Efficiency:</p> <p>There are little signs that the current EC PSTEP did encourage the GoG to increase their funding over time, as expected from the programming documents.</p>			
Monitoring Report Rom 2010			
<p>The implementation of PSDS1 are in line with the principles of the Paris Declaration, but in future, more than sustaining PSDS donor contributions for PSDP2, donors and GoG should not be indifferent to the fact that out of US\$ 30 M pledged to PSDS1, only less than US\$ 18 M was disbursed.</p>			

This refers to flexible tranches of SBS/GBS.

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

Summary:

- FOR PSTEP the decision for SBS is described in the FA.

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Financing Agreement

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The EC's contribution to the development of the private sector and trade will be made therefore through a direct sector budget support (SBS) aiming at rewarding the GOG's performance with regard to the objectives of the PSDS. Furthermore, provided that the budget formulation and execution processes can be considered as satisfactory and in progress, this SBS will be non-targeted and disbursed to the Consolidated Fund (Central Treasury Account).

The use of the SBS mechanism is motivated by two main reasons:

- GOG's explicit request to use government systems in support to development interventions, indicated in the MOU as well as in the 'Harmonization and Alignment in Ghana' document. The SBS mechanism is designed to be fully integrated with GOG's budget and MTEF processes and represents a step forward compared to pool-funding;
- EC's decision to move out of projects support by taking into account the outcomes of the Country Strategy Evaluation report (see section 1.2).

Having considered the seven conditions for sector budget support provided in the related guidelines issued by the Commission in February 2003, this proposal concludes that sector budget support is the most effective instrument to support the government's PSD Strategy (a sound analysis is presented in annexes F-L):

- 1) the macro-economic framework is strong, with accelerating growth rates, falling deficits and growing exports, and is monitored by IMF;
- 2) the sector policy is comprehensive, wholly owned and inclusive and sits at the centre of the overall Ghana development strategy (it's the first pillar of GPRS II);
- 3) Ghana introduced the MTEF approach in 1999 and the 2007-09 MTEF includes a rising allocation for Ministries implementing the PSD Strategy;
- 4) while still in need of improvement, the accountability and public finance management (PFM) systems have improved during the past few years, as monitored under the PRBS programmes. The PSD Strategy and Action plan provide additional fiduciary safeguards;
- 5) donor co-ordination in the area of PSD and Trade in Ghana provides an example of one of the most harmonised and coordinated sector approaches in Africa;
- 6) GOG and DPs have developed a M&E system to jointly monitor the programme which includes outcome indicators;
- 7) the PSD strategy explicitly tackles the capacity requirements of the implementing agencies through the use of training and technical assistance.

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

Summary:

- Partner countries capacities to manage SBS are assessed as a problem for the implementation
- The new SP is a project approach, following the SBS approach of PSTEP

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Background Conclusion Sheet ROM 2010

<p>Efficiency:</p> <p>PSTEP and donors pool funding played an important role in the institutional capacity problems or issues raised during sector dialogue. Bi-annual reviews and the decentralization of the financial resources to MDAs (2008) have improved pace of disbursement hence implementation of activities. Those institutional weaknesses may have been the reason why during the 2 first years, DPs enforced a certain level of micromanagement on many of the coordination aspects of PSDS, compromising to a certain extent the ownership, instead of entrusting and fostering a technical dialogue with the GoG.</p>
<p>Efficiency:</p> <p>Donors consider that overall implementation suffered from poor management and lack of coordination, and this was confirmed during the field visit. For the moment, there is no specific entity in charge of the implementation of PSDS1 (i.e. PSB lacks a coordinator).</p>
<p>Efficiency</p> <p>However, the whole cycle of judicial reform, regulations and enforcement under PSDS1 was not realistic and took much longer than expected, and the same applies for the facilitation and practicalities for the related new administration processes. Some satisfactory achievements have been recorded during the implementation of the SP but the general perception is that PSDP progress in implementing the strategy is much slower than originally expected.</p>
<p>Efficiency</p> <p>The insufficient finance management capacity delayed implementation of activities and its potential catalyst role towards achieving PSDS objectives through incentives to MDAs.</p>
<p>Relevance</p> <p>The PSDS has limited influence over the PSD related programmes which are outside the pool funding hence making coordination difficult. The DPs committed US 30M to the pooled fund (around US 18M were disbursed). Outside the pooled funding between \$50-100 M was committed to other interventions to support private sector development. The newly formulated project (10th EDF) TRAQUE is a project approach, PSDS2 being not ready for implementation.</p>
<p>Sustainability</p> <p>It is to be noted that sustainability of the SPSP / PSTEP in the area of trade related interventions was later built into the newly formulated 10th EDF project approach, Trade Related Assistance and Quality Enabling Programme (TRAQUE) (€ 9 million). It intends to address capacity strengthening within the Ministry of Trade, Industry, Private Sector Development (MoTIPS) and related agencies especially in the area of trade related issues, as well as in the field of national quality infrastructure development. It seems that sector budget support (SBS) to PSTEP is not necessarily the best aid modality to support SP (in 2010 the total expenditure allocation from government discretionary sources was limited to 0.24%).</p>
<p>Monitoring Report ROM 2010</p>
<p>Institutional capacity remains a crucial challenge, even if PSTEP and DPs pooled funding played an important role in improving some capacity, the coordination in place lost its efficiency when it came to mainstreaming so many interventions, mostly because of the lack of institutional capacity of many of those MDAs to absorb funds, let alone to intervene as expected in so many areas. The PSTEP complementary support of c 0.5 M aimed to improve the institutional capacity was not based on any real capacity needs assessment or analysis and soon became a demand driven process (i.e. funding different studies in an ad hoc manner).</p>

2.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

Summary:

- PSTEP-Indicators targeted TRA-related aspects.
- Indicators sustained political support for PSTEP (ROM 2010)

- The performance indicators have not been achieved

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2009 tranche – In addition to the general conditions, the following specific condition will apply to the 2009 tranche and will be assessed before its disbursement:

- the results on the indicators with the necessary documents are provided on time by GOG.

The amount of the tranche will depend on performance evidenced on the five indicators detailed below. In 2008, within JRM, the results on 2007 indicators will be provided by GOG with the necessary documentary support. The performance will trigger the disbursement in 2009. This timeframe allows greater predictability but also prevent from providing performance tranches earlier.

The targets for indicators 2 and 3 will be set before 31/03/2007 following the activities undertaken to "domesticate" the Ease of Doing Business Survey currently carried out by the World Bank. The targets will have to be officially proposed by GOG and approved by EC. In case the targets for 2007 are not set before 31/03/2007, the indicators will be neutralized and the corresponding amount decommitted accordingly.

p.23/24

The indicators are presented in a chart hereafter but some clarifications are given below.

Indicator 1 – Share of non-traditional exports (NTEs)

This indicator permits to measure the degree of diversification of Ghanaian economy and its competitiveness on foreign markets with regard notably to products incorporating more added-value. Consequently it also helps to analyze in what extent Ghana becomes less dependant to commodity prices on international markets. Referring to the national definition, the NTEs cover all exports excluding cocoa beans, logs, lumber, electricity and raw minerals.

The objective for 2007 is there to reach (1) a share of 27% of NTEs out of the total amount of exports (from an estimate of 24.96% in 2006) ensuring in the same time that this relative rise corresponds to (2) an absolute increase in real terms and not to a drop of traditional exports.

These two conditions will be necessary to get a full disbursement for this indicator. A 50% disbursement will be granted in case the increase in share represents at least half the gap in points of percentage between 2006 baseline and 2007 target (e.g. 26% with a baseline of 24.96% and a target of 27%). In any case, in absolute terms, it must represent a real increase.

Indicator 2 – Time taken to export

This indicator initially comes from the *Ease of Doing Business Survey* (EDBS) carried out every year by the World Bank to measure the facility for "trading across borders". It becomes really important for Ghana which aims at building its growth on agriculture-led exports and also becomes a transit channel for Sahelian exports. This indicator thus monitors key progresses in both contexts of regional integration through ECOWAS and Economic Partnership Agreement preparation with EU.

However, following the decision to "customize" the EDBS and develop a national information system, the indicator used in the present programme is designed only to consider stages currently monitorable by GOG (23 days out of the 47 days monitored by WB). In the coming years, the "domestication" process should enable to measure the full process in a regular, national and non contestable manner. The different stages highlighted here are: assembling and processing documents for export (13 days), terminal handling activities (2 days), waiting for loading of container on vessel (4 days), customs inspection and clearance (4 days).

The objective is to reduce in 2007 the time taken to handle these activities from 23 days in 2005 (baseline still to determine for 2006) to a target to be set before 31/03/2007 following the activities undertaken to customize the EDBS. The baseline might be revised at this occasion. In case this target is not fixed before 31/03/2007, the indicator may be neutralized and the corresponding amount decommitted accordingly.

To get a 50% disbursement, a progress corresponding to at least half the expected progress in days (whole number only) will be necessary (e.g. 20 with a baseline of 23 and a target of 25). The EDBS results

will be used to cross-check the results provided by GOG.

Indicator 3 – Time taken to import

In the same manner, this indicator initially comes from the EDBS carried out every year by the WB to measure the facility for "trading across borders". It measures two key progresses for Ghana: (i) its capacity to become a regional "hub" for Western African imports through its ports of Tema and Takoradi; (ii) its capacity to import easily some raw materials or capital goods (not available in Ghana), develop a processing industry and be able to export manufactured goods to neighbour countries and even to other regions. This indicator thus monitors key progresses in both contexts of regional integration through ECOWAS and Economic Partnership Agreement preparation with EU.

However, following the decision to "customize" the EDBS and develop a national information system, the indicator used in the present programme is designed only to consider stages currently monitorable by GOG (32 days out of the 55 days monitored by WB). In the coming years, the "domestication" process should enable GOG to measure the full process in a regular, national and non contestable manner. The different stages highlighted here are: assembling and processing documents for import (18 days), vessel waiting time to enter berth (6 days), berthing and unloading (2 days), terminal handling activities (2 days), customs inspection and clearance (4 days).

The objective is to reduce in 2007 the time taken to handle these activities from 32 days in 2005 (baseline still to determine for 2006) to a target to be set before 31/03/2007 following the activities undertaken to customize the EDBS. The baseline might be revised at this occasion. In case this target is not fixed before 31/03/2007, the indicator may be neutralized and the corresponding amount decommitted accordingly.

To get a 50% disbursement, a progress corresponding to at least half the expected progress in days (whole number only) will be necessary (e.g. 28 with a baseline of 32 and a target of 25). The EDBS results will be used to cross-check the results provided by GOG.

Indicator 4 – Time taken to register a business

Here again, this indicator initially comes from the EDBS carried out every year by the WB (section "starting a business"). This indicator is really significant of the business climate in a country and especially to assess the impact of procedure streamlining.

In the same manner, given the on-going "customization", it has been chosen to consider only critical steps in the full process for registering a limited liability company up to obtaining certificate to commence business at Registrar General Department. The "domestication" process appears really important in this case since EDBS results in this field are considered as controversial by most of Ghanaians authorities and companies (the survey include the production of a company seal which is not required in Ghana and therefore really long to get). Concretely, 4 stages are monitored here: confirmation of availability of company name (2 days), apply to Registrar General (3 days), authentication of registration forms by a commissioner of oaths (1 day), obtaining certificate to commence business (3 days).

The objective is to reduce in 2007 the time taken to handle these activities from 14 days in 2005 (MDBS target for 2006 = 9 days) to 3 days.

To get a 50% disbursement, a progress corresponding to at least half the expected progress in days (whole number only) will be necessary (e.g. 5 with a baseline of 9 and a target of 3). The EDBS results will be used to cross-check the results provided by GOG.

Indicator 5 – Execution rate for items 3 and 4

As complement to the incentive provided by the 2007 and 2008 tranches to increase GOG funding to the sector, this indicator aims at ensuring that this increase in terms of allocations comes along with a better budget execution rate. In order to be consistent with the purpose to promote a rise of the 2007 allocations, the indicator is built on the same basis. It compares the total expenditure on items 3 and 4 funded under the Consolidated Fund for the ministry/ministries in charge of private sector development and trade (through its/their special accounts and following the releases ordered by MOFEP and CAGD from the Consolidated Fund) against the allocations evidenced in the latest version of 2007 budget statement (assuming that no revision may lead to a reduction of the initial allocation to the sector).

The objective for 2007 is to get – for the sector – an execution rate equal or higher than the overall GOG execution rate calculated on the same basis.

To get a 50% disbursement, a progress corresponding to a maximum negative deviation of 5% in trend will be necessary (e.g. 90.25% for an average rate of 95.0% or 71.25% for 75%).

p. 2

However, during the joint assessment review for the disbursement of the Performance Tranche in 2009, the EU Delegation concluded that the specific conditions had not been met, and a commensurate disbursement for the Performance Tranche would be limited to 1.5 M€, meaning that 1.0 M€ would not be paid.

Relevance

It is to be noted that SPSP disbursement conditions played a good role in sustaining political support to SP, especially in what concerns the additionality tranche, however, the end result was much weaker than initially expected (expectations were much higher).

2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

Summary:

- Capacity weaknesses were a problem in managing SBS
- Micromanagement from EU DEL was necessary during first 2 years
- Transaction costs were high for GOG due to donor funding outside the pool funding

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Efficiency:

There are little signs that the current EC PSTEP did encourage the GoG to increase their funding over time, as expected from the programming documents.

Efficiency:

Those institutional weaknesses may have been the reason why during the 2 first years, DPs enforced a certain level of micromanagement on many of the coordination aspects of PSDS, compromising to a certain extent the ownership, instead of entrusting and fostering a technical dialogue with the GoG.

Efficiency

Some capacity building was completed last year in district courts on commercial arbitration and pre-trial mediation. However the big challenges and bottlenecks remain for public sector development reforms to be decentralised in all parts of the country. But the main issue is the support to private sector (competitiveness / capacity). The PSDS1 did not really engage in private sector support. This output was left aside. Although PSDS2 is formulated in that sense, the Action Plan is not yet finalised. Therefore it is difficult to see to what extent the shortcomings / lessons learnt (PSDS1) (i.e. lack of prioritisation of activities, insufficient institutional capacity / MDAs, insufficient infrastructure) will be addressed in the new PSDS2.

Effectiveness

The effectiveness of the SBS seems to have been underestimated.

The purpose of the EU with the implementation of PSTEP was the promotion of results through a bonus linked to both performance indicators and the confirmed financial commitment from the GoG to fund and sustain the sector. The ownership authority and accountability as well as the capacity of MDAs, as mentioned, remain the weak points and are expected to be addressed especially in the design for the PSDS2.

In the future, more important than sustaining PSDS donor contributions, it is crucial for PSDP2 to work on the feasibility of alignment of donor funding and to reduce the number of donor interventions outside the pool funding, avoiding high transaction costs for GoG, in terms of coordination and aid

effectiveness.

2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

Summary:

- Lack of technical dialogue between MoTI and EU DEL (ROM 2010)
- Dialogue between MDAs was strengthened
- EU DEL was participating in dialogue with DPs regarding MDBS (EAMR)

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Background Conclusion Sheet ROM 2010

Efficiency:

Although PSTEP is not an earmarked program aiming at specific areas, EU SPSP encouraged the government to engage with SP through their dialogue mechanism promoting those results that link performance indicators with Government funding to the sector.

Effectiveness

The continued implementation of the ongoing SPSP has further strengthened the coordination process, especially in terms of expenditure planning and forecast. However, there is an absence of technical dialogue between the MoTI and EU DEL, which is by nature one of the arguments to choose a sector budget support modality. Dialogue with sectoral ministries and donors seems to be limited to technical reviews, twice a year, without evidences of trust and confidence built between EU DEL and GoG with the incentive provided by PSTEP budgetary allocation to MoTI. In terms of results, and in accountable terms, the tasks of establishing those regulatory frameworks even if largely completed, implementation and making those systems work in a holistic way proves still too great a challenge.

Impact

At the same time, the institutional relationships of such a cross cutting nature are now much stronger and will have a future impact in terms of mobilizing interministerial synergies at higher-medium level (Directors, and Deputy Directors). The experience achieved during PSDS1 enables this to take place without undermining the mandate and the authority of line ministries and agencies. It has been a learning process. There are, however, difficulties to cope with the different agendas set by MDAs, but the dialogue structure makes it in many ways easier now to target certain interventions and mobilize resources, but remains a challenge.

EAMR

July 2007

p. 4

Multi-Donor Budget Support (MDBS): the Delegation has been instrumental in the agreement on the Performance Assessment Framework 2007-2009 (PAF 2007-2009) in April 2007, which constitutes a real improvement in terms of result-orientation (number of targets reduced but with an increased number of outcome/output indicators). In May, though being an observer in the review 2007 (to assess the PAF 2006, not accepted by the EC), the Delegation has however taken part in the discussions. In the coming months, given the consensus amongst DPs and with GoG on the need to revisit the whole MDBS Framework, the Delegation will play an active role in the debates so as to ensure that the revised Framework is more in line with the latest international recommendations and the EC Guidelines, notably by introducing more flexibility in the decision process. Some support form HQs may be necessary at this occasion.

July 2009

MDBS: in order to support Ghana financial crisis, the World Bank unilaterally moves out of the MDBS process in order to negotiate its own PAF matrix with the Government. Although adopted in exceptional circumstances, this decision displeased most of the MDBS DPs. Therefore it has been suggested to launch in September the preparation of a third version MDBS Framework memorandum (FM) to

facilitate the reintegration of the WB in the MDDBS process.

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

Summary:

- CSSP is implemented through joint management with the international organisation IITA.
- CSSP's alignment with other donor's and NGO's initiatives strengthened the programme's prospects for inclusion in sector strategy development at the policy level.

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The project will be implemented through:

- a) decentralised management: implementation by Cocobod agencies of specific sub-components (seed production and research) through annual programme estimates, under direct decentralised operations; and
- b) joint management with an international organisation: a standard grant contract will be signed with the international organisation IITA for the remaining components and the day-to-day management of the project. As no institutional assessment has been carried out, the grant contract will be implemented according EC rules and procedures. The grant contract will be concluded through a direct award to an international organisation for the implementation by joint management of a specific action which is in keeping with that organisation's mandate and jointly identified by it and the Contracting Authority.

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MTE

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Prospects for the integration of some CSSP II outputs into Ghana's policy framework are generally positive, especially the scope for inclusion of the community extension model under Cocobod's PPP framework. This should be boosted by WCF's recent policy position to shift its own extension support system (which mirrors CSSP II's) into Cocobod. With regard to sector strategy, it is too early to assess the extent to which the recommendations from CSSP II studies could be incorporated under a national policy framework since those studies will be carried out in 2011. Overall, however, CSSP II's alignment with other donor and NGO initiatives in cocoa under the thematic framework of improving the small farmer livelihoods strengthens the programme's prospects for inclusion in sector strategy development at the policy level.

2.3 EQ 3 - To what extent has the Commission's TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

Summary:
<ul style="list-style-type: none"> • PSTEP is formulated in accordance with key policy documents
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
Financing Agreement
<p>p. 2</p> <p>It builds on lessons learnt from previous private sector programmes (see section 2) and formulated in accordance with the Cotonou Agreement (see Arts. 18, 19, 20a, 21, 23) and the four following statements:</p> <ol style="list-style-type: none"> a) the Strategy for Private Sector Development in ACP Countries [COM (1998) 667] which invites EC to work in cooperation with other donors to support governments' efforts to establish a favourable business environment; b) the Communication on Trade and Development [COM (2002) 513 final] which identifies trade and private sector as one of the six key support areas of EC. It advocates for greater integration of trade into poverty reduction strategies and NIPs; c) the Communication on Business Sector Development [COM (2003) 267] which advocates efforts to tackle private sector development at macro (enabling environment), meso (investment financing and promotion) and micro (micro-enterprise support) level; d) the European Consensus on Development (November 2005) which, in its article 74, recommends to put an emphasis on supply side and private sector competitiveness.

2.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

Summary:
<ul style="list-style-type: none"> • Private sector and Civil society are integrated in PSDS Oversight Committee • Private sector and Civil society participated in discussion of institutional design of PSDS • ROM 2010: "The emphasis on the public realm, in terms of interventions, minimized in a way the role of the private sector as a driving force for PSDS, and may also be a result of such minimal or insignificant private sector dialogue" • Private sector is addressed in CSSP but was not integrated in project design
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
Financing Agreement
<p>p. 11</p> <p>The PSD Strategy Oversight Committee (OC) has been established in June 2005 to oversee the implementation of the Strategy. The twelve-member Committee is a partnership between Government and the private sector with a nominated private sector Chairperson. Other members of the Committee are the Chief Directors of the five ministries concerned (MOTIPSD&PSI, MOFEP, Justice and Attorney General, Food and Agriculture and Public Sector Reform). Representatives from the private sector and civil society include the Private Enterprise Foundation, the Federation of Association of Ghanaian Exporters, the Ghana Union Traders Association and the Trades Union Congress. The Chief Director of the MOTIPSD&PSI is the Secretary to the OC.</p>

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the private sector could not be effectively engaged in the planning and implementation of the Strategy – the inclusion of PSD representatives in the OC and in the Biannual JRM as well as in ad hoc stakeholders meetings should prevent any lack of involvement or interest from the private sector;

p. 76

The PSD Strategy Institutional Structure for implementation as recommended in Chapter 8 of the PSD Strategy and Action Plan document was validated by stakeholders in the second half of 2004. At a workshop with the Implementing MDAs, the private sector and civil society in August 2004, there was a general consensus that the Institutional Structure proposed in the PSD Strategy Action Plan was too complex and was likely to be ineffective given Ghana's weak record with implementation of programs. Participants recommended a simpler structure for implementation. The revised structure was discussed at a DP Group meeting in September 2004. The DPs were in agreement that the original structure proposed was likely to be ineffective and recommended that the revised structure be simplified even further to ensure its effectiveness. Following from the inauguration of the PSD Strategy Oversight Committee in November 2004, the Committee also made further recommendations on the structure

p. 76

PSD Strategy Oversight Committee has been inaugurated to oversee and provide high-level monitoring for implementation of the Strategy. The thirteen-member Committee is a partnership between Government and the private sector; with a nominated private sector Chairperson. The Chairperson is to be retained over the five-year implementation period. Other members of the Committee are the Chief Directors of the Ministries of Finance and Economic Planning, Trade and Industry, Private Sector Development and PSI, Justice and Attorney General, Food and Agriculture and the Coordinator of the Public Sector Reform Secretariat. Representatives from the private sector and civil society include the Private Enterprise Foundation, the Federation of Association of Ghanaian Exporters, the Ghana Union Traders Association and the Trades Union Congress. The Chief Director of the Ministry for Private Sector Development and PSI (MPSDPSI) is the Secretary to the Oversight Committee.

Background Conclusion Sheet ROM2010

Efficiency:

The emphasis on the public realm, in terms of interventions, minimized in a way the role of the private sector as a driving force for PSDS, and may also be a result of such minimal or insignificant private sector dialogue when the focus lay mostly on institutional and judicial reforms. Private sector was present in the Oversight Steering Committee (OSC) but their advocacy capacity was very weak, while the Policy Support Bureau (PSB) lacked the power of intervention which was desired (at the level of Ministerial Chief Director).

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

Financing Agreement - TAP

p. 2

The Cotonou Agreement specifically indicates the need for including Non State Actors as a full partner in all stages of the development process. This programme includes cocoa farmers and their organisations and private operators as a necessary and essential partner in the future development of the cocoa sector in Ghana.

Background Conclusion Sheet ROM 2010

The smallholder farmers have not been directly involved in the project design, but their situation has been thoroughly understood during CSSP Phase I and the previous STCP project which were merged into CSSP Phase II.

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

Summary: <ul style="list-style-type: none"> • Regular meetings with Member States about EPAs • Joint reviews with DANIDA, GTZ, KfW in relation to PSD and trade
EAMR
July 2005
p. 4 The Delegation organises regular meetings with EU Member States in the framework of Operational Coordination to exchange information on development cooperation with Ghana and other issues related to the implementation of the Cotonou Agreement (EPAs, conflict prevention, migration). In the first half of 2005, five meetings were organised by the Delegation. They offered the opportunity for the Delegation to present Financing Proposals under preparation, to discuss strategic orientations of Member States' cooperation and to map out further strategies for improved harmonisation and coordination.
p. 5 two joint review and assessment missions were carried out with DANIDA, GTZ and KfW, and with the World Bank respectively to verify the possibility of a collaboration in support to the development of the SMEs (via BDS and Bas and financial support) part of the FIP on PSD and Trade. Consultations with DANIDA/KfW/GTZ are continuing to define the way EC could support the BDS component of the SPEED project, Phase II, currently under finalization. A consultant is being recruited to carry out a literature synthesis of BDS related work in Ghana to help identify best practices, gaps and inform the design of a the BDS component proposed in the FIP.

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Summary: <ul style="list-style-type: none"> • For PSTEP a bi-annual Joint Review Meeting with other DPs was foreseen. • CSSP: Sharing of information with other DPs partly successful (MTE)
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
Financing Agreement
p. 6 Assessment of progress takes place through a continuous process of dialogue and reporting centred on the bi-annual Joint Review Meeting held in March/April and September/October with representatives from GOG, DPs, and non-state actors (private sector, NGOs, trade unions). Key inputs to these meeting are the bi-annual financial and monitoring consolidated progress reports presented by MOTIPSD & PSI and MOFEP.
FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II
MTE
p. 23

While an assessment of the degree of collaboration between the two CSSP components and other similar donor programmes is beyond the scope of this evaluation, we have noted that IITA, through STCP-2, maintains contact with similar entities, especially the WCF Cocoa Livelihoods Programme (for Ghana), parts of which are being implemented under STCP-2. However, we noted that GTZ, TechnoServe, a major input supplier, and a produce buying company were not familiar with CSSP II details – an indication that there could be considerable scope for improving communication between these groups at a national level (see also: section 5.2 Programme awareness, below).

2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)

Summary:

- Donor coordination is strong in Ghana (PSTEP FA)
- MOU for the PSDS implementation was signed
- A PSD Strategy Working Group was established
- Lacking implementation capacities at MDAs were a problem during implementation of PSTEP
- CSSP: Communication was weak between implementing partners (ROM 2009), but mitigation measures were planned (ROM 2010)
- National Steering Committee was not meeting quarterly, as foreseen. A sub-committee which will meet quarterly and report to the NSC was created.

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Financing Agreement

p. 6

The PSD Strategy is translated in an annual Composite Work Plan (CWP) jointly developed with the involved MDAs and detailing the specific activities to be carried out under each output (a summary of CWP 2006 is placed at Annex G). In line with the Government budgeting process, implementing MDAs will prepare annual workplans and budgets in August/September and set targets for the CWP based on the PSD Strategy log-frame. Donors will participate to the process to define the content of the CWP and indicate their financial contributions for the next fiscal year. After the budget approval by Parliament, the final allocation of the total envelope to annual CWP will be decided jointly by the GOG and DPs.

p. 8

the lack of coordination amongst DPs, using different instruments at the same time, could also hamper the implementation of the strategy. However the quality of the dialogue as well as the complementarity of the different approaches should limit such a risk.

p.10/11

Development partners (DPs) coordination in Ghana is strong. The completion of the first Ghana Poverty Reduction Strategy (GPRS) in early 2003 created the momentum for a group of donors to align their assistance and support the implementation of GPRS through general budgetary aid under a common framework: the Multi-Donor Budgetary Support (MDBS) agreed with the Government of Ghana (GOG) in June 2003. Ten DPs, namely seven bilaterals and three multilaterals including EC, deliver around 250 M€ a year through the MDBS Framework, to which EC contributed to 24 M€ in 2005 and 19.2 M€ in 2006 under the Poverty Reduction Budget Support 2 (PRBS 2).

Building on the progress of the MDBS, GOG and DPs have taken huge strides in harmonisation and alignment. In February 2005, they worked together to develop the principles established in the paper “Harmonization and Alignment in Ghana for Aid Effectiveness: a common approach for Ghana and its Development Partners”. An assessment of mutual progress and commitment was carried out at the Consultative Group (CG) meeting in November 2005 and reviewed at the CG meeting in June 2006.

In light of the progress in donor harmonisation, in 2004, the Ministry of Private Sector Development and

President Special Initiatives (MPSD & PSI) made a formal request for DPs to support the PSD Strategy in a joint manner using government systems. The DPs groups on Trade and PSD responded positively to the Government's call. In late 2004, the two DP groups, which had existed for some time, merged to form a single group covering PSD, trade and finance. Moreover, a process to design a framework agreement for the joint support to the implementation of the PSDS was initiated under the leadership of MPSD & PSI.

In June 2005, GOG and DPs signed a Memorandum of Understanding (MOU) for the implementation of the National Medium Term Private Sector Development Strategy over 2005-2009 (see Annex J). The parties agreed to adopt a common approach and collaborative framework for coordinating, managing, monitoring and evaluating programmes in support to the PSDS under the aegis of the MPSD & PSI and the Ministry of Finance and Economic Planning (MOFEP). In April 2006, the MPSD & PSI merged with the Ministry of Trade and Industry (MOTI) to become the Ministry of Trade, Industry, Private Sector Development and President Special Initiatives (MOTIPSD & PSI).

The DPs signatories of the MOU are in addition to EC: UK's Department for International Development (DFID), lead donor, France (AFD), Canadian International Development Agency (CIDA), Danish Cooperation (DANIDA), Germany (GTZ), World Bank (WB), Italy, Japan (JICA), the Netherlands, Switzerland, United Nations Development Programme (UNDP) and Industrial Development Organisation (UNIDO) and the United States (USAID).

p.43

Despite the changes occurred in the institutional context, donor coordination remained satisfactory and in line with the principles laid down in the Memorandum of Understanding which is attached hereafter with its annexes

p.52

The Government and Participating DPs will adopt a common planning approach for the provision of support to private sector development. The core planning document for this purpose is the PSD Strategy Action Plan, which identifies priority development activities decided jointly by the Government and Participating DPs in respect of public sector interventions, and sets out the Government's approach to direct support to the private sector.

p.53

Co-ordination of Participating DP support to the PSD Strategy and Action Plan with the Government will be carried out by the PSD Strategy Working Group. The PSD Strategy Working Group will be jointly chaired by the Chair of the PSD Strategy Oversight Committee and the chair of the DP Group, and will comprise members of the PSD Strategy Oversight Committee and the DP Group. The PSD Strategy Working Group will meet quarterly, or more frequently if required, and will, among other things:

- provide the main forum for joint review and coordination by Participating DPs and the Government of support to private sector development within the framework of the PSD Strategy and Action Plan;
- review the Annual Composite Work Plans and budgets, revenue and expenditures and progress against plan through bi-annual Joint Review Meetings, using the approved performance indicators and targets in the M&E Framework;
- consider new/revised programme priorities; and
- monitor the overall funding envelope for the PSD Strategy and Action Plan, (including contributions from Government; the PSD Strategy Pooled Fund; Sector Budget Support; and bilateral projects/other mechanisms) and identify shortfalls.

The May and November quarterly meetings of the PSD Strategy Working Group will constitute the bi-annual Joint Review Meetings.

Background Conclusion sheet ROM 2010

Efficiency:

Sector performance is continuously discussed among stakeholders, and on a bi-annual basis they recommend improvements on different issues mainly on implementation and monitoring. The organization of the review process and the level of interaction between the different parties is commendable, and follows the Memorandum of Understanding (MoU).

Relevance

But it is to be noted that political responsibility for the implementation of the PSDS under Cabinet of the Presidency did not happen as stated in the MoUs. With the merger in 2006 of the Ministry of Private Sector Development (under direct responsibility of the Presidency) and the Ministry of Trade into a single Ministry of Trade and Industry (MoTI), the PSDS catalyst role was left alone for MoTI to develop among the 18 different ministries, departments and agencies (MDAs) involved. In fact, the practicalities related to the above merger were not taken on board in the MoUs and resulted in a PSDS without high level responsibility hence perceived as a ministerial project, and not as a government integrated intervention of 18 MDAs. Institutional capacity remains a crucial challenge (lack of institutional capacity of many of the involved MDAs to adequately absorb funds). In general, the coordination and implementation structure revealed to be confused with parallel reporting and lacking high level forum for dialogue with private sector. Although, private sector was present in the OSC but their advocacy capacity was very weak, while the Policy Support Bureau (PSB) lacked the power of intervention which was desired (at the level of Ministerial Chief Director).

Relevance

Sector performance is continuously discussed among stakeholders. On a bi-annual basis stakeholders jointly agree to recommend improvements on different issues, mainly on implementation and monitoring. However during 2010 the GoG was not available for any of the review meetings.

Relevance

However, today PSDS is perceived more as a ministerial project, financed and coordinated with DPs, relying on interventions of a cross cutting nature, including a huge span of activities, that makes the Strategy overly-extended and overambitious.

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

Background Conclusion Sheet ROM 2009

Efficiency

The project works with cocoa farmers, industry, buying agents, the Ministry of Food and Agriculture (MoFA) and subsidiaries of Ghana "Cocobod". Currently the flow of information between the project's management (STCP) and Cocobod subsidiaries is deemed inefficient and not rewarding by all partners. The main reason is the slow and not sufficiently direct flow of information: a message from Cocobod's subsidiaries SPU and CRIG has to pass to 1. Cocobod, 2. Ministry of Finance to finally reach the EC Delegation or STCP. It is obvious that such a structure cannot work on a day-to-day basis. Therefore all parties involved are currently working on shortcutting the flow of communication between SPU, CRIG and STCP/ EC Delegation and have submitted a rider asking for fuller project autonomy and direct access to and management of the allocated funds. As long as SPU and CRIG are not able to operate on a non-bureaucratic basis with STCP, the project's activities "seed production" and "development of new hybrid varieties" will not gain the intended momentum. Furthermore, it is highly questionable that the project can achieve its tree-breeding and tree-planting goals in the timeframe allocated if the communication channels do not get streamlined.

Monitoring Report ROM 2010

p. 3

The Programme is about to create a platform engaging all stakeholders of the commodity chain to articulate and discuss sector issues and from which COCOBOD could capitalise on its achievements. CTSP IITA is finalising an econometric modelling of demand and supply shifts in cocoa and related food commodities on rural development in Ghana and launching other cocoa related studies. If effectively used by Ghana cocoa authorities, the above support may contribute in providing an adequate foundation for cocoa sector policy and hence strategy to be formulated.

Background Conclusion Sheet ROM 2010

The National Steering Committee (NSC) is supposed to meet quarterly to perform project oversight and provide advisory support to the programme management team. Since the start date of the programme (09/07/2008), the NSC met only 3 times. To this respect, frequency of meetings was discussed during the last NSC (December 2009). It resulted in creation of a subcommittee who will meet quarterly and report to the NSC. The subcommittee is made up of technical partners: IITA, CRIG and SPU, as well as of the COCOBOD and the EU DEL concerned representatives. It is to be noted that no decision has

been taken as regards the frequency of the NSC meetings. This issue needs to be clarified and if necessary, the mandates / terms of reference (ToR) for both the NCS and subcommittee formulated with a view to establish viable and constructive communication channels to contribute in improving the efficiency of the overall programme. It is to be noted that the National Consultative Group of the programme is to meet bi-annually to provide general and broad guidance to the programme and discuss current issues in the cocoa sector.

2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries

Summary:

- PSDS was developed in a consultative and participatory process and provides the framework for PSTEP
- ROM 2010: “A significant number of DPs support private sector development outside the pooled funds undermining alignment and harmonisation efforts.”
- Collaboration of CSSP with project of French Government

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Financing Agreement

p. 5

The PSD Strategy was developed through a consultative and participatory process involving central and local government, the private and the judiciary sectors, civil society and DPs.

p.48

Participating DPs accept that the PSD Strategy provides the framework within which their support for private sector development in Ghana will be provided over the Government of Ghana five Financial Years: 2005 – 2009.

p. 48 ff.

Memorandum of Understanding between The Government of Ghana
And Participating Development Partners For the Implementation of The Ghana National Medium-Term Private Sector Development Strategy and Action Plan 2005-2009

Background Conclusion Sheet ROM 2010

Efficiency

A significant number of DPs support private sector development outside the pooled funds undermining alignment and harmonisation efforts. Aligned donors committed with \$30 million to the SPSP pooled fund, while others, and sometimes even the same DP have interventions managed independently, a total of \$200 million was calculated of donor contributions to private sector development.

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

Financing Agreement - TAP

p. 3

Major project components of CSSP2 will be implemented through a Grant Agreement with IITA.

p. 3

The French Government is currently finalising a new research project proposal "Platform in Scientific Partnership (PSP) on improvement of cocoa-based agroforestry systems" (€ 1.4 million, 4 years). The new project aims in addition to put in place a competitive funding system to support research projects on improvement of cocoa-based agroforestry systems and to develop a capacity building programme to strengthen the expertise of partners and stakeholders. CSSP2 will collaborate and ensure complementarity with PSP.

2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

2.4 EQ 4 - To what extent has the Commission’s support contributed to an improved trade policy environment at national level?

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

2.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

<p>Summary:</p> <ul style="list-style-type: none"> • PSDS was developed participatory, including private sector and civil society • Result 3 of CSSP is the development of a participatory cocoa sector strategy. • Farmer Organizations were supported in participating in the strategy formulation, but progress could not be assessed in MTE.
<p>FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)</p>
<p>Financing Agreement</p>
<p>p. 5</p> <p>The PSD Strategy was developed through a consultative and participatory process involving central and local government, the private and the judiciary sectors, civil society and DPs.</p>
<p>FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II</p>
<p>MTE</p>
<p>p. 1</p> <p>Moderate progress is being made in facilitating development of a participatory cocoa sector strategy. Participation by embryonic farmer organizations (FOs) at a 2010 Farmers’ Forum is a step in the right direction. Because specific sector studies are at the design stage, it is too early to comment on the extent to which participatory strategy formulation will be institutionalized or the degree to which sector study recommendations could influence future sector policy.</p>
<p>p. 6</p> <p>It promotes increased private sector participation in cocoa governance structures.</p>
<p>p. 16</p> <p>To date, no significant progress has been made on Result 3 outputs (participatory cocoa strategy development). IITA has initiated dialogue with some cocoa organisations to serve on the proposed Advisory Group. It has contacted the Centre for Economic Policy Analysis (CEPA) on finalising an econometric modelling framework and has approved a study to be carried out on broad-based impact of the FFS/ICPM/Q training model that is being channelled through public and private institutions – including non-CSSP II programmes.</p>
<p>p. 22</p> <p>With regard to sector strategy development, it is too early to provide a useful assessment of the extent of progress being made towards Result 3, <i>participatory cocoa sector strategy development and implemented</i>. In March 2010 Cocobod, with contributions from other industry stakeholders developed a draft Cocoa Sector Strategy II (CSS II) which re-iterated priorities articulated in the GPRS II and FASDEP II. In that context, CSSP II is working with the Centre for Economic Policy Analysis (CEPA) on econometric modelling of price and cost factors within the Ghanaian cocoa supply chain. When completed, the results will help to inform the CSS II.</p> <p>The draft Cocobod sector strategy will need further articulation, including clarification of possible roles of emerging farmer groups in the formulation and action planning process. Moreover, given Ghana’s growing adoption of product certification regimes and their natural “fit” with the programme objective and purpose, CSSP II’s contributions to sector strategy could have been challenged in that direction i.e. laying a platform for assisted FO assimilation into that arena.</p>

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

Summary:
<ul style="list-style-type: none"> No detailed analysis of capacity needs was accomplished.
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
Financing Agreement
p. 94
<p>A number of umbrella organisations and business association exists in Ghana. The role, capacity and level of representation of these institutions varies. The inclusion of leading private sector organisations such as the Private Enterprise Foundation, the Federation of Ghanaian Exporters, the Association of Ghanaian Industries and the Trade Union Organisation in the Oversight Committee is to ensure that private sector's concerns are actually included in the CWP. Moreover, the wider stakeholder consultations are carried out during the review processes at bi-annual Joint Review Meetings. Finally, it is foreseen that MOTIPSD&PSI will develop and commission a regular annual survey to assess the actual impact of the PSD strategy on the private sector (the Private Sector Survey).</p>
Background Conclusion Sheet ROM 2010
Efficiency
<p>The PSTEP complementary support of € 0.5 M aimed to improve the institutional capacity was not based on any real capacity needs assessment or analysis and soon became a demand driven process. It seems to have mainly funded donor-driven initiatives, such as: (i) a technical assistance package to support negotiations of EPA with GoG (i.e. meetings, seminars, studies); (ii) 3 main studies: Formulation of the PSDS2 resulted in a new EU project namely Trade Related Assistance and Quality Enabling Programme (TRAQUE); Feasibility study and plans for palm oil offering a map of potential processing units to be established in the country, requested by the PS (via MoTI) ; A national banana adaptation strategy and plan of action, whose eligibility under EU-ACP banana accompanying measures has been requested.</p>

2.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

Summary:
<ul style="list-style-type: none"> Business registration was fastened (1-2 days now as compared to 1 week before)
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
Background Conclusion Sheet ROM 2010
Effectiveness
<p>However, formalisation of business still needs incentives, even if business registration is now faster (1-2 days now as compared to 1 week before) and more transparent.</p>

2.4.2.4 I 4.2.4 Changes of ‘customer’ satisfaction related to the output produced by trade-related public institutions

2.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

2.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations

2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations

Summary:

- EPA consultations with GoG
- NGOs are rigidly hostile towards EPA and try to influence the process, i.a. on the UNCTAD XII Conference

EAMR

July 2008

p. 4

EPA: reactions of Ghanaian authorities, when in contact with EU officials, are rather positive but, when in a larger stakeholder environment or in general public the attitude becomes more hesitant if not reluctant. Elections at the end of 2008 and the (still) critical attitude of big neighbour Nigeria certainly keep playing a role here. First contacts with the new Minister of Trade, however, looked more promising as some remaining friction points in the text of the Interim EPA were neutralised in a very efficient and professional way during the first negotiating meeting under his authority. NGOs in Ghana are extremely and rigidly hostile towards EPAs and they develop enormous energy to bring their negative and devastating messages. Now that the Interim EPA has been initialled they concentrate very much on trying to block progress via influencing the Parliament. Especially during the UNCTAD XII Conference they were extremely aggressive and confrontational withholding any possibility of response or dialogue during public events. The authorities confirm to us very explicitly that technically they do not agree with the NGOs and that this certainly will not guide their actions, but that politically they have to count with it.

2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

2.5 EQ 5 - To what extent has the Commission’s TRA to trade facilitation contributed to reducing trade-related transaction costs?

2.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

- 2.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced
- 2.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods
- 2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

2.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

- 2.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)
- 2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)
- 2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

Summary:

- Improvements due to newly equipped, trained and staffed Customs Authority

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Background Conclusion Sheet ROM 2010

Effectiveness

Publication of information on the rights of accessing public services through surveys has also shown that bureaucracy is increasingly perceived as a minor barrier to businesses. Ghana can today benefit from improved trade facilitation thanks to a newly equipped trained and staffed Customs Authority (customs clearance was reduced from 14 to 7 days) .

2.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

2.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

2.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

2.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

2.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

2.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

2.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

Summary:
<ul style="list-style-type: none">Quality infrastructure as remaining challenge for stimulating Ghana's exports
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
Background Conclusion Sheet ROM2010
Effectiveness There are still many challenges which persist, hence to stimulate Ghana's exports through upgraded competitiveness (i.e. insufficient infrastructure such as storage capacity, quality control and systems in place, need for transfer of know-how, insufficient managerial skills).

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies

Summary:

- Safety and Quality Standards were addressed with ministries, parliament, civil society and DPs, i.a on EU-ProInvest supported conferences.

EAMR

July 2006

p. 4

On EPA, SPS, Safety and Quality Standards, special contacts were made with the Ministers of Trade and Industries, Finance and Economic Planning and Foreign Affairs, the Parliament, Civil Society and the other Development Partner. EPAs, SPS and Safety and Quality Standards were presented at different EU-ProInvest-supported conferences. Via the Ghana Chamber of Commerce and Association of Industries, a larger public was reached.

2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies

2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 JC 6.4 - Cost of compliance reduced

2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance

2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

2.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

2.7.1 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

2.7.1.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

2.7.1.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

2.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government

Summary: <ul style="list-style-type: none">• PSTEP: Private sector organizations advocacy capacity was very weak.• CSSP: 56 Farmer Organizations established, but need more time to fully contribute to cocoa governance• CSSP: First Cocoa Farmers' Forum was organized (sector strategy)• CSSP: Next step would be the creation of associations and interest groups between farmers at community level (ROM 2010)
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
Background Conclusion Sheet ROM2010
Efficiency: <p>The emphasis on the public realm, in terms of interventions, minimized in a way the role of the private sector as a driving force for PSDS, and may also be a result of such minimal or insignificant private sector dialogue when the focus lay mostly on institutional and judicial reforms. Private sector was present in the Oversight Steering Committee (OSC) but their advocacy capacity was very weak, while the Policy Support Bureau (PSB) lacked the power of intervention which was desired (at the level of Ministerial Chief Director).</p>
FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II
MTE
p 23 <p>There is considerable evidence of farmers being organised and trained in self governance in target communities (see section 4, Efficiency, 4.2.2, Resource access and utilisation). But actual progress towards improved governance is still at a relatively nascent stage of evolution. For farmer organisations, the barometers of good governance are that community groups function democratically; are set up efficiently; recruit competent staff; are being managed transparently; and are providing members with agreed services cost-effectively and efficiently.</p> <p>Since the establishment of the 56 CSSP II-assisted Farmer Organisations (FOs), 16 (28.6%) have demonstrated strong or good leadership and high levels of commitment of FO members. In these groups there is consistent attendance at meetings, payment of dues, mobilisation of resources, regular meetings without prompting, development of own work plans, and registration at District level and Registrar General (business) levels. While these metrics are commendable, the reciprocal is also true: about two-third of the groups are <i>not fully ready</i> to move to the next steps in the governance process – developing the capacity to provide members with agreed services on time, efficiently, and at costs that are lower than they would have incurred on their own.</p> <p>The IITA Country Manager acknowledged that the Institute was too optimistic about the rate at which FOs would be fully developed and therefore equipped to contribute to cocoa sector governance. The PDA report, which summarised the strengths and weaknesses of each group, emphasised that most of the FOs will need considerable and continued hand -holding to solidify their initial momentum. After PDA completed its assignment, IITA contracted an independent consultant to help the weaker FOs address their deficiencies. As a rule of thumb, specialist Cooperative Society development service providers like SOCODEVI estimate that it takes 5 – 7 years before fledgling entities are in strong positions to contribute to governance issues on a national basis.</p> <p>Modest progress is being made in helping farmers groups to organise their positions on sector strategy via participation in stakeholder meetings. The first Cocoa Farmers' Forum organised on 15 th and 16 th July 2010 by Cadbury Cocoa Partnership (CCP) and STCP-2 on working together to improve cocoa production was attended by 48 farmer groups from 15 districts from the Western, Ashanti and Brong</p>

Ahafo regions. Other participants included Cocobod, NGOs, certification organisations, and other support groups. The forum allowed farmer groups to highlight their immediate priorities namely, input acquisition, timely supply of agrochemicals, expansion of youth farmer training centres etc. However, their capacity to continue to participate at that level will depend on progress towards becoming self-sustaining organisations over the next 3 – 5 years.

Background Conclusion Sheet ROM 2010

Sustainability

Especially the activities aiming at farmers in the field FFS and other training programs VVS are going to have a positive impact on the self-organizing capacity of the rural communities. The further step into the creation of associations and interest groups between farmers at community level will take the farming community one step beyond into the direction of eventual creation of influence groups, permitting the farmers to express their opinion vis-à-vis the administration and the Ministry of Food and Agriculture. In the case that the project effectively manages to reach these goals of self-organization, chances are high that the project will continue in one form or another, as the benefits for the Ghanaian economy will become apparent fast.

2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

Summary:

- PSTEP: Private sector advocacy capacity should be improved at the level of some private sector/export associations
- CSSP: NGOs use received trainings

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Background Conclusion Sheet ROM2010

Efficiency: Recommendation

Selecting key partnerships and improving advocacy capacity at the level of some private sector/export associations, in many ways can contribute to promote the trust of the private sector (PS) to engage in market liberalization, and EPA in Ghana.

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

MTE

p 16

With regard to Result 2 (improved cocoa governance) targets, 33 VVC communities were to be mobilised to initiate set up of farmer organisation by the end of Year 1, increasing to 50 by the end of programme implementation in Year 3. By the end of Year 2, 56 communities had formed farmer groups of which about a third were well-organised; all 56 had received continued exposure to good governance practices during the first half of Year 3 (July to December 2010). It should be noted however that progress was intensively induced by CSSP II use of the specialist consultancy group, PDA, and supported by independent consultants thereafter. One reason for such concentrated effort was that IITA expected to train 16 Community Development Officers (CDOs) to support farmer organisation development but only 8 had been deployed by the Department of Community Development (DCD) in the eight districts in two regions covered by CSSP II. This reduced the level of co-opted support and triggered the need for greater infusions of short term technical assistance.

Background Conclusion Sheet

Effectiveness

The beneficiaries of specific trainings (NGO and DADU) are making use of different outputs such as: 2 NGOs are already using VVC tools and methods for their own training programmes with farmers; DADU extension officers are changing their extension practices and approaches at the cocoa farmer's level being more demand driven.

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

Summary: <ul style="list-style-type: none"> • Enabling environment for investments as one main goal • Foreign Investment has increased
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
ROM 2010 Synopsis
p. 4 The main objective of the SPSP is, as it is for the PSD and Trade Strategy, to improve the enabling environment to do business and invest in Ghana as well as to contribute to the upgrading of its competitiveness and to the stimulation of its exports.
Background Conclusion Sheet ROM 2010
Effectiveness Foreign investment has also increased, linked to Output 1 (to improve the country's global and regional market position).

2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements

2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns

Summary: <ul style="list-style-type: none"> • Legal and regulatory improvements were addressed but not achieved yet (ROM 2010)
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
Background Conclusion Sheet ROM 2010
Effectiveness The products and services that are relevant to ensure effectiveness for PSD are mostly the approval of key legislation to increase their regional position in attracting foreign investment, such as the Competition Bill and the newly drafted Consumer Protection Policy, both under consultation, although neither have been approved yet.
Impact There are visible signs that private sector influenced the streamlining of the tax regimes, but the gap between the private and public realm remains too wide. The impact from government interventions to ensure the appropriate level of products and services have been focused mainly on legislative and judicial reforms that create an enabling environment for PSD, such as the approval of key legislation. But in terms of real impact and having these approved with their respective regulations and procedures in place so as to increase the Private Sector regional position seems to take more time than expected. <ul style="list-style-type: none"> - Competition Bill, Approved at the level of the Council of Ministers (CoM) but not approved by Parliament - Consumer Protection Policy, Approved at the level of CoM but not approved by Parliament - Tariff Advisory Board, well established and developing into Ghana International Trade Commission - Ghana Investment Law – being reviewed by the CoM.

2.8.2.3 I 8.2.5 - Availability of quality investors' information/guides

Summary: <ul style="list-style-type: none"> • Information instrument facilitated the registration of import and export entities
--

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Background Conclusion Sheet ROM 2010

Impact

In terms of monitoring effects and impact, new instruments such as GCnet today facilitate the registration of import and export entities, and it now takes one or two days, to capture all the information in an integrated manner from all over the country. That information has allowed many export federations and councils to provide reliable information on trade issues.

2.8.3 JC 8.3 Improved access to trade finance

2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed

2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

Summary:

- CSSP assisted in arranging credits for export-oriented farmers associations.

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

Background Conclusion Sheet ROM 2010

Impact

Efforts in increasing yields will be further reinforced through newly created farmers associations which seem to be focused on buying fertilisers for this year crop season. The Programme is assisting them in finding the best possible arrangements with credits and inputs suppliers.

2.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors

Summary:

- Imports and exports improved, especially non-traditional exports (28% of total exports)
- Cocoa export strengthened (MTE)
- CSSP: ICPM/Q training had positive impact on cocoa production ("An IITA Fact Sheet indicates that the training impact of the FFS model on production is between 225 kg and 310 kg but this is total production per farm not kg/ha i.e. yield. No "before and after" production data was available or FFS participant records for review by this evaluation team", MTE).

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Background Conclusion Sheet ROM 2010

Effectiveness

Ghana has during the PSDS1 enhanced its position in international trade with rapid growth of export and imports. In particular, non traditional exports have recorded some modest growth and represent 28% of total exports (2009).

Sustainability

The private sector in Ghana was able to benefit from services and products such as improved trade facilitation thanks to a newly equipped, trained and staffed Customs authority; together with the new

Trade Advisory Board established in September 2009 resulting in a modest increase of non-traditional exports that now represent about 28% of total exports in Ghana.

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

MTE

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The programme is targeting only 4,125 farmers but its demonstration effects, if successfully propagated, should be applicable on a national scale: There are 800,000 smaller farmers in the sector and production is continuing on a renewed growth path. Output has increased from 395,000 metric tonnes in 2000 to over 650,000 tonnes in 2009. Also, the share of cocoa in GDP rose from 4.9% in 2000-2004 to 8.1% in 2005/2006. Further, cocoa accounts for 28.5% of agricultural GDP. Over the last three years it has contributed substantially to agricultural sector growth. Cocoa exports constituted 28% of foreign exchange earnings, 57% of overall agricultural exports. The amount contributed rises to 87% of agricultural exports if forestry and fishery are excluded. [...]

Although value added remains low, processed exports have increased from US\$83.6 million to at least \$153 million per year since 2004.

p. 19

With regard to IITA interventions, feedback from participating farmers in two communities with respect to “knowledge/application/acquired value” of the ICPM/Q training was exceedingly positive. The evaluators attribute this high level of appreciation and application to the training methods used (combined on-farm teaching and learning through the VCC and FFS models) and to contagion effects associated with successful actions in small communities. In interviews, farmers continually pointed to various visual examples of impact.

According to the farmers interviewed, this included marked increases in number of pods and cocoa harvested on their own farms which they had rehabilitated using CSSP II -learned practices⁹. They marvelled at the improved health of their cocoa trees and compared their improved performance with that of other farmers who had not participated in the programme. These improvements have encouraged them to form farmer groups, to acquire inputs (fertiliser), and, with CSSP assistance, to embrace/increase acquisition of hybrid seedlings and pods from SPU.

⁹An IITA Fact Sheet indicates that the training impact of the FFS model on production is between 225 kg and 310 kg but this is total production per farm not kg/ha i.e. yield. No “before and after” production data was available or FFS participant records for review by this evaluation team.

2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors

2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).

Summary:

- PSTEP addressed investment climate reforms, but they take considerably more time to translate into effective results
- CSSP has limited impact on national policies improving environment
- “the cocoa sector bottleneck is international marketing which is state-controlled.” (ROM 2009)

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Background Conclusion Sheet ROM 2010

Efficiency

Some capacity building was completed last year in district courts on commercial arbitration and pre-trial mediation. However the big challenges and bottlenecks remain for public sector development reforms to be decentralised in all parts of the country. But the main issue is the support to private sector (competitiveness / capacity). The PSDS1 did not really engage in private sector support. This output was left aside. Although PSDS2 is formulated in that sense, the Action Plan is not yet finalised. Therefore it is

difficult to see to what extent the shortcomings / lessons learnt (PSDS1) (i.e. lack of prioritisation of activities, insufficient institutional capacity / MDAs, insufficient infrastructure) will be addressed in the new PSDS2.

Effectiveness

The main objective of the PSTEP, as mentioned is the same as for the SP. However, the type of investment climate reforms undertaken take time to translate into effective results. PSDS was not formulated in a realistic way, and it became perceived by many as more of a public sector reform than private sector development. The GoG envisaged that PSDS would become instrumental to developing the environment for enabling private sector growth, but even with the political will, it became only a starting point, for which some satisfactory achievements have been recorded during the implementation. The type and scope of investment climate reforms undertaken are intrinsic to domestic political affairs, that need to be discussed widely, and take considerably more time to translate into effective results. A significant number of important obstacles still exist for the private sector in Ghana, and it is the general perception that PSDP quality of results is weak, and impact is much lower than expected.

Impact

There are visible signs that private sector influenced the streamlining of the tax regimes, but the gap between the private and public realm remains too wide. The impact from government interventions to ensure the appropriate level of products and services have been focused mainly on legislative and judicial reforms that create an enabling environment for PSD, such as the approval of key legislation. But in terms of real impact and having these approved with their respective regulations and procedures in place so as to increase the Private Sector regional position seems to take more time than expected.

- Competition Bill, Approved at the level of the Council of Ministers (CoM) but not approved by Parliament
- Consumer Protection Policy, Approved at the level of CoM but not approved by Parliament
- Tariff Advisory Board, well established and developing into Ghana International Trade Commission
- Ghana Investment Law – being reviewed by the CoM.

Impact

Achievements seem visible on institutional simplification of procedures for businesses, and some satisfactory progress on the implementation on sector policy was recorded, but investment in terms of infrastructure remains a huge constraint to private sector development. On increasing competence and capacity at the firm level, it was pointed out that this has received less attention and thus achieved less. It appears that whilst there has been growth in private sector investment, the growth of small firms and the informal sector has been slower than expected. Therefore, in terms of impact the key purpose of a competitive business environment leading to equitable growth has failed to materialise.

Sustainability

PSTEP has reduced some of the external factors affecting the competitiveness of the private sector by attempting to strengthen the public sector and promote target reforms that create a more enabling environment for private sector growth. But those external factors, in the majority of the cases are domestic factors, outside the influence of the EU Private Sector and Trade Enabling Programme (PSTEP) .

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

MTE

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When put in sector decision-making context, the programme is a modest insertion into national efforts to upgrade competitiveness and boost crop yields. CSSP II is only one of at least 8 other players in the cocoa assistance space. Other examples include Cocobod, WCF, Cadbury, etc. Therefore the influence on national or sector ICB is largely due to IITA's entre into the national decision-making framework afforded by STCP-2 and reputation as an international agricultural institution operating in Ghana.

Background Conclusion Sheet ROM 2009

The risk lies elsewhere: the cocoa sector bottleneck is international marketing which is state-controlled. Therefore it is difficult for the average cocoa farmer to escape what is perceived by many as an excessive taxation of exports (the local market being practically inexistent). The proceeds from the taxation of

cocoa exports is partly used to maintain massive administrative structures like the Cocobod, which is certainly an oversized structure which has not been able in the past to carry forward the necessary transformation of the sector.

2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

Summary:

- Changes in administration hampered improvements (PSTEP)
- “Building effective value chain approach for selected products with potential for export remains a key issue” (PSTEP ROM 2010)
- CSSP targeted and strengthening cocoa sector
- CSSP: Focus on improved sustainability of cocoa production by engaging all stakeholders of the cocoa chain
- Support measures of CSSP are used by farmers and their associations

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Background Conclusion Sheet ROM 2010

Efficiency:

Funding to PSTEP was made available according to schedule, but sector development was hampered by external political factors such as the elections and unexpected sudden change in power that meant considerable changes took place in the Ghanaian administration at the key agencies and institutions. A good example was the newly drafted investment code, and business incorporation laws that were only later submitted before the parliament.

Efficiency Recommendation

Enhancing trust and building effective value chain approach for selected products with potential for export are still key issues.

Impact Recommendation

Building effective value chain approach for selected products with potential for export remains a key issue so that expected impacts on private sector capacity / competitiveness can become a reality.

Sustainability

A significant number of results on trade facilitation, reducing bureaucracy and customs clearance have been recorded during PSDS, however many of the firm level and chain value interventions were either very weak or never really took place during the first phase.

FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II

MTE

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Table 1: IITA-CSSP II Performance for two-year period ending 30 June 2010

Category	Planned	Actual
Number of farmers trained directly via FFS	750	998
Number of farmers trained directly via VVCs	1425	1924
Number of trained farmers in replanting	2175	2922
Total average pods to be delivered to farmers	60000	45063
Number of hybrid seedlings germinated and surviving	1500000	1866881
Total hectares planted using yardstick of 1,100 trees per ha.	1364	1113

Project Synopsis ROM 2010

Given the fact that the availability of forest rent which used to be an incentive for expanding cocoa farms owing to its good soils and micro climate is now depleted, profitability of cocoa now lies in the ability and capacity of farmers to adopt an intensification technology package. Having access to improved technologies could lead to reduced cost of production (for example due to reduced disease incidence and pesticide application), and thus result in increased gains for farmers and contribute towards Ghana's competitiveness in the global cocoa economy. This will require actions at the farmer, private sector and institutional and policy levels. The project's activities are expected to produce results in three areas: at farmers' level (agricultural production), farmers' organisations (sector governance and vertical integration) and policy level (sectoral strategy): i) Increased farmer adoption of intensification cocoa production packages; ii) Better community level organization of farmers to access intensification packages that include avoidance of deforestation through cocoa farming; iii) Contribution of farmers and farmer groups to cocoa sector development.

Monitoring Report 2010

p. 2

Since the last Result Oriented Monitoring (ROM) mission (MR-115862.01, 04/2009), the OO and PP continue to focus relevantly on the increase of income of smallholder cocoa farmers through improved sustainability of cocoa production by engaging all stakeholders of the cocoa chain.

p. 3

However field visits and interviews revealed that trained farmers (Dwoamin and Senfi communities) have introduced the learnt practices on their farms (i.e. weeding, pruning, disease control) and recognise first improvements (i.e. improved flowering). Farmers associations continue to use the services of their community based FFS facilitators when needed. Cocoa nurseries at the level of farmers associations seem to be well maintained and farmers are ready for replanting using the hybrid cocoa varieties. The beneficiaries of specific trainings (NGO and DADU) are making use of different outputs such as: 2 NGOs are already using VVC tools and methods for their own training programmes with farmers; DADU extension officers are changing their extension practices and approaches at the cocoa farmer's level being more demand driven.

Background Conclusion Sheet ROM 2010

Effectiveness

Farmers associations continue to use the services of their community based FFS facilitators when needed. Cocoa nurseries at the level of farmers associations seem to be well maintained and farmers are ready for replanting using the hybrid cocoa varieties.

2.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

<p>Summary:</p> <ul style="list-style-type: none"> • PSTEP: Employment aspects were analysed in the FA but e.g. discrimination because of gender was not specifically addressed in the strategy. • CSSP: Inclusion of women into beneficiary group intended, but not completely achieved: "Concerning farmers trained especially in the FFS, it seems that women constitute a good proportion in the total number of already trained cocoa farmers. However concerning the facilitators, according to the data provided, out of 140 facilitators trained to conduct FFS and VVC training with farmers, only 2 are women." (ROM 2010)
<p>FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)</p>
<p>Financing Agreement</p>
<p>p. 4</p> <p>The Population and Housing Census, carried out in 2000, reported that the private sector employs 91% of working population and that 80% of this is in the private informal sector which is characterized by micro, small and medium-scale enterprises (MSMEs), these ones contributing to 60-70% of domestic production in Ghana. Unfortunately, it underlined that most MSMEs operate without financial and business development support and cannot expand their work beyond subsistence level.</p>
<p>Background Conclusion Sheet ROM 2010</p>
<p>Relevance</p> <p>Concerning gender the strategy does not, address gender-specific constraints on business development in Ghana. However, it is mentioned in the Financial Agreement (FA) that EU and other DPs will use any opportunity to influence the development of the Strategy, so that it addresses this issue. There is no evidence whether this issue has been addressed.</p>
<p>FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II</p>
<p>Background Conclusion Sheet ROM 2009</p>
<p>Quality</p> <p>The project management (STCP) has put a high priority on the inclusion of cocoa farming women into the project's beneficiary group, while still not interfering with a heavy hand with age-old customs and divisions of labour. The project offers a rather high profile PPP approach by including serious players from the cocoa industry such as Nestlé, Callebaut, Cadbury, Mars, etc. There is significant donor coordination, but no overlap in activities, as the CSSP II centers on training and replanting, which nobody else does.</p>
<p>Cross cutting issues</p> <p>According to the project manager, the project tries to ensure that 20% of future trainers should be women. The rural traditions of Ghanaian cocoa farming imply that women are involved in harvesting, pod splitting, fermenting the beans, cleaning and nursery tasks. The men are responsible for tree tending, transportation, selling. In order to attract women, the strict selection criteria for the selection of male farmers participating in the FFS have been cut in half for the participation of women.</p>
<p>Background Conclusion Sheet ROM 2010</p>
<p>Cross cutting issues</p> <p>Strategic gender interests have been considered in the project strategy. Concerning farmers trained</p>

especially in the FFS, it seems that women constitute a good proportion in the total number of already trained cocoa farmers. However concerning the facilitators, according to the data provided, out of 140 facilitators trained to conduct FFS and VVC training with farmers, only 2 are women. It is partially explained by the insufficient level of literacy among women as compared to men (one of the criteria to be selected as potential facilitator). In fact, as discussed during the field visit in the Ashanti region with the extension supervisor there should be a specific approach adopted in order to improve on the number of women as facilitators (i.e. specific training). A past experience, VVC facilitators (different donor's project) has been mentioned and it revealed that women succeeded quite well as facilitators and they are still performing well and are reported to have better performance / discipline as compared to men trained. Furthermore, farmers who are being trained through FFS (men and women), in the Dwenama community, confirmed that they do not see any problem for a woman to be their facilitator as long as she is able to perform. Therefore there is a need for a specific approach / selection to encourage / attract more women as facilitators. As per OCDE, I would classify the project at the level G1.

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

Summary:

- Socio-economic aspects are analysed in FA of PSTEP.

FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)

Financing Agreement

p. 4

As a result of the steady economic growth in the last two decades, poverty in Ghana has declined. The percentage of the population defined as poor fell from 52% in 1991/92 to just under 40% in 1998/99 and 35% in 2003. The incidence of extreme poverty remains very high, however, with more than one quarter of the population being unable to meet their basic nutritional needs. The geographic expression of poverty is uneven. In general, poverty remains a rural phenomenon with 84% of those below the poverty line residing in rural areas, while the least poverty is observed in Greater Accra. Although at the national level the incidence of poverty declined, it increased in two northern and in the central regions.

p. 8

Moreover available sources estimate that women run over 70% of MSMEs operating in the lower end of the non-agricultural household businesses. The Strategy acknowledges that MSMEs are often disproportionately affected by constraints in the business environment. The implication is that women-owned businesses may consequently benefit disproportionately from the PSD Strategy. The Strategy does not, however, address gender-specific constraints on business development in Ghana, due for example to inheritance or matrimonial laws that may lead to gender inequality in access to and control of productive assets and resources, which may inhibit women's economic participation. EC and other DPs will use any opportunity to influence the development of the Strategy, so that it addresses this issue.

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

Summary:

- A Private Sector Development project inter alia focussing on fair trade is in place.

EAMR

July 2005

p. 3

After the devolution, the Delegation carried out a revision of the Budget Lines BLs. The Pro poor production and export of fairtrade and organic fruits from Ghana and Burkina Faso (WAFF) project was found to have a number of institutional, management and financial problems. A stakeholder workshop was organized to discuss and agree on a list of actions required to ensure achievement of project objectives. The WAFF Project was subject to the annual review carried out by PWC in June made a series of relevant recommendations that will be closely monitored by the Delegation.

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

Summary: <ul style="list-style-type: none">• Gender aspects were addressed during the monitoring mission
FED/2007/019-650 - Ghana Cocoa Sector Support Programme - Phase II
Background Conclusion Sheet ROM 2010
Efficiency 2 out of 162 trained facilitators are women; therefore there is a need for a specific approach to be adopted in order to improve the number of women as facilitators

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

Summary: <ul style="list-style-type: none">•
FED/2006/018-609 - Private Sector and Trade Enabling Programme (PSTEP)
Background Conclusion Sheet ROM 2010
Effectiveness The PSDP seems limited to the ambition of promoting initiatives that could create jobs and enhance livelihoods for the rural and urban poor, or attempted to do so through existing broad macro/investment climate reforms but these were not complemented by production/market development initiatives which are crucial to ensure overall change and impact on private sector.

2.9.3 JC 9.3 - TRA supported enforcement of ILO standards

2.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

2.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

2.10 Further important findings/text extractions, not attributable to one specific indicator

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>		<i>TAP</i>	<i>Eval</i>	<i>ROM</i>	<i>Progress (MTR)</i>	<i>Final reports</i>
Private Sector and Trade Enabling Programme (PSTEP)	FED/2006/018-609	Financing Agreement, Special Conditions		Monitoring Report, Synopsis, Background Conclusion Sheet		
Ghana Cocoa Sector Support Programme - Phase II	FED/2007/019-650	Financing Agreement; TAP	Mid-Term Evaluation	Monitoring Report 2010 Project Synopsis 2010, Background Conclusion Sheet ROM 2010. Project Synopsis 2009, Background Conclusion Sheet 2009		

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Country Fiche

PARAGUAY

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1 Introduction

1.1 Country Overview

	2004	2005	2006	2007	2008	2009	2010
Exports Volume Index	165.5	178.2	194.5	270.3	362.9	292.6	410.7
Imports Volume Index	114.2	132.0	184.5	216.4	303.2	258.8	360.1
GDP per Capita in current US \$	1,201	1,267	1,544	1,997	2,708	2,245	2,840
Exports in % of GDP	46	51	54	51	50	47	57
Imports in % of GDP	50	56	58	54	56	52	55
FDI net inflows in current 1000US \$	37,679	53,500	173,300	206,300	278,700	200,700	344,500

Export volume indexes are derived from UNCTAD's volume index series and are the ratio of the export value indexes to the corresponding unit value indexes. Unit value indexes are based on data reported by countries that demonstrate consistency under UNCTAD quality controls, supplemented by UNCTAD's estimates using the previous year's trade values at the Standard International Trade Classification three-digit level as weights. To improve data coverage, especially for the latest periods, UNCTAD constructs a set of average prices indexes at the three-digit product classification of the Standard International Trade Classification revision 3 using UNCTAD's Commodity Price Statistics, international and national sources, and UNCTAD secretariat estimates and calculates unit value indexes at the country level using the current year's trade values as weights. (2000 = 100)

Source: WTO

	Rankings of the Global Competitiveness Report of the World Economic Forum (WEF)						
Paraguay	2004	2005	2006	2007	2008	2009	2010
Rank	100	113	106	121	124	124	120
total number of countries	104	117	125	131	134	133	139

WTO membership: Yes, since 1.1.1995

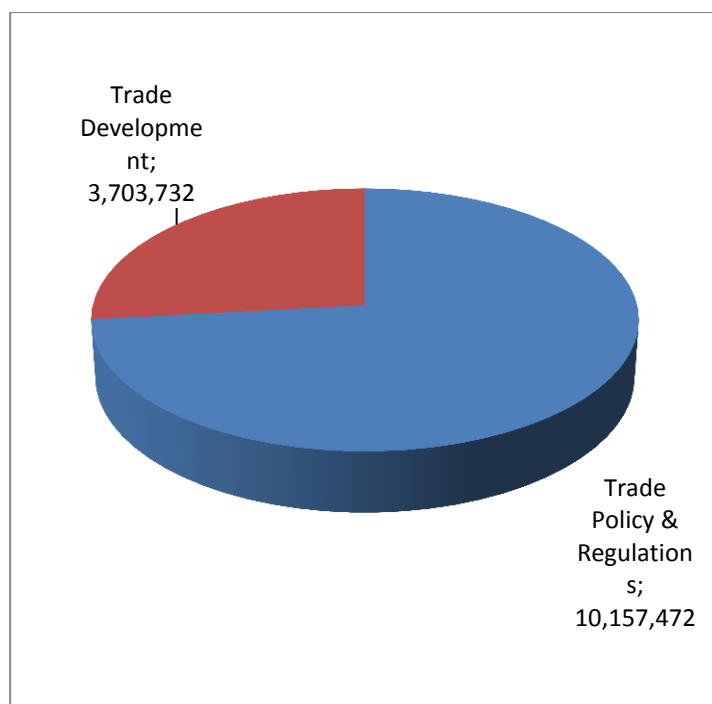
1.2 Commission's TRA to Paraguay between 2004 and 2010

1.2.1 Contribution per sector, modality and channel

1.2.1.1 Breakdown per Category

Years	Trade Policy & Regulation	Trade Development	Grand Total
2004	104.499		104.499
2005	9.782.000	3.671.100	13.453.100
2007	82.302		82.302
2008	47.430	32.632	80.062
2010	141.241		141.241
Grand Total	10.157.472	3.703.732	13.861.204

Total volume of contracted amount 2004-2010 per category



1.2.1.2 Breakdown per Modality

Row Labels	Project	Support to Sector Programmes	Grand Total
2004	104.499		104.499
2005	9.782.000	3.671.100	13.453.100
2007	82.302		82.302
2008	47.430	32.632	80.062
2010	141.241		141.241
Grand Total	10.157.472	3.703.732	13.861.204

1.2.1.3 Disbursement Rate

Year	Amount contracted in €	Amount paid in €
2004	104.499	104.499
2005	13.453.100	11.947.776
2007	82.302	82.302
2008	80.062	80.062
2010	141.241	104.061
Grand Total	13.861.204	12.318.700

Disbursement per Category

Row Labels	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	10.157.472	8.963.814
Trade Development	3.703.732	3.354.886
Grand Total	13.861.204	12.318.700

Disbursement per Modality

Row Labels	Amount contracted in €	Amount paid in €
Project	1.039.296	929424,36
Support to Sector Programmes	12.821.908	11389276
Grand Total	13.861.204	12.318.700

Disbursement per channel

Row Labels	Amount contracted in €	Amount paid in €
Government	9.782.000	8.625.522
Private Company	3.352.291	3.038.957
NGO/Association/Chamber/Foundation	726.913	654.221
Grand Total	13.861.204	12.318.700

1.2.2 Important TRA interventions in Paraguay

Table 28 Overview of Commission's most relevant TRA interventions in Paraguay

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Committed amount for the intervention</i>
Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)	ALA/2004/016-713	12.821.908

Source: CRIS database, Particip GmbH analysis

1.3 Description of main EC intervention

1.3.1 Intervention no 1

Title: Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP) – Strengthening of the competitiveness of the export sector in Paraguay

Budget: 15.900.000 € (13M from the EC)

Start and end date: 24/11/2004-30/06/2010

Objectives and expected results:

Overall objective:

Improving the country's insertion in international markets, taking advantage of existing potential in the framework of MERCOSUR, the Association Agreement EU / Mercosur and the GSP granted by the EU, the WTO Agreements and the Doha Agenda.

Specific objective:

Enhancing trade in Paraguay, through (i) the strengthening of public institutions responsible for the national quality system, (ii) improving the institutional capacities of government agencies of Paraguay responsible for certification of health care and the salubrity of the products, (iii) support for the realization of the agricultural census, (iv) strengthening the public-private partnership for the articulation of policies on competitiveness, and improving the competitiveness and quality of small and medium-sized exporters and potential exporters by strengthening existing clusters and providing business development services.

Expected results:

Component 1 – The National Quality System has been organized and strengthened. (€ 2.900.000)

Component 2 – The competence of health inspection and surveillance institutions to support reliable health certification processes that promote agribusiness competitiveness, has been strengthened. (€ 7.000.000)

Component 3 – Competitiveness of SMEs, business cooperation and horizontal and vertical integration of production chains have been strengthened (Clusters). (€ 1.500.000)

Activities:

Component 1:

- Institutional strengthening of the National Accreditation Agency (ONA) and implementation of ISO 17011. With the support of the project the ONA will form a qualified body of assessors and will accredit five Metrology Laboratories, six Testing Laboratories for conformity assessment in the compulsory field and three (sanitary, phytosanitary, health) Inspection and Surveillance Bodies
- Restructuring and institutional strengthening of the National Institute of Standards and Technology (INTN) and the National Agency for Metrology and Standardization
- Establishment of standards committees and enactment of at least 120 technical standards that contribute to the competitiveness of the Paraguayan exportable supply
- Equipment and implementation of ISO 170253 in 5 Metrology laboratories (mass, length, volume, temperature, pressure)
- Institutional Strengthening of the National Information and Notification System, coordinated by the MIC, with inter-institutional network structure and local information and notification points
- Institutionalization of the public-private dialogue in the field of competitiveness by the strengthening of the National Competitiveness Promoting Organization ONPEC and the development of processes for the articulation of competition policies

Component 2:

- Organization of an *Autonomous Body for the inspection and surveillance of animal health*, in accordance with ISO 17020, under the political guidance of MAG
- Organization of an *Autonomous Body for the inspection and surveillance of vegetal health*, in accordance with ISO 17020, under the political guidance of MAG
- Organization of an *Autonomous Body for the inspection and surveillance of healthiness, harmlessness and focal point HACCP*, organized according to ISO 17020, under the political guidance of the MSPBS
- Equipment and implementation of ISO 17025 in six testing laboratories for the monitoring of health, phytosanitary and food safety

- Strengthening of agricultural statistics by the execution of the National Agricultural Census (370,000 farms)

Component 3:

- Technical assistance and services to clusters: Greater vertical and horizontal sectoral integration of production and marketing of goods and services of the country's exportable supply will be promoted. Private sector cluster organizations will be consolidated in order to improve their negotiating capacities and to increase their technical competences of business consulting. The performances will be provided on the basis of a joint preparation between the cluster in question and the specialized consultant(s), at the request of the cluster (group of companies) and their financial commitment (20%). The following technical assistance and financial support activities are considered for clusters linked to:
 - Business integration processes.
 - Production processes and technology transfer.
 - Foreign market penetration processes.
- Business Development Services for individual companies (SME exporters or potential exporters). These services take into account WTO, EU and MERCOSUR norms. Interested SMEs finance 20% of the requested services. Among others, the services will be delivered in the following areas:
 - Access to appropriate technologies
 - Strengthening of human resources through training plans
 - Adaptation to the quality standards demanded by foreign markets
 - Adaptation to sanitary and phytosanitary standards required by the target markets (particularly the EU and MERCOSUR)

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

Summary:

- FOCOSEP: Strengthening competitiveness and state modernisation are priority areas in CSP 2001-06/NIP
- FOCOSEP programme was indentified and prepared together with relevant national stakeholders
- FOCOSEP: relevant to the needs of the beneficiaries, and aligned with the priorities of the National Export Plan 2004; consistent with government policies for improving the competitiveness of the export sector and with the priorities identified by the EU in its CSP 2001-2006 and 2007-2013.
- EAMR 2008 states that EU Delegation plays an important role when it comes to questions regarding trade issues (SPS, norms, access to EU market,...)

ALA/2004/016-713- Fortalecimiento de la Competitividad del Sector Exportador Paraguay (FOCOSEP)

Disposiciones Tecnicas y Administrativas

p.18:

El mejoramiento de la competitividad y la modernización del estado son dos áreas prioritarias de

intervención de la Unión Europea en Paraguay, tal como está establecido el CSP 2001-2006 y en el Memorando de Entendimiento suscrito entre las partes en Junio de 2001. El compromiso financiero de cooperación con el Paraguay asumido en el NIP 2001-2006 asciende a € 51.7 millones, de los cuales € 21.7 millones, equivalentes al 42% del monto indicativo, han sido asignados al área del "*Desarrollo productivo, competitividad e inversiones en el marco de la integración regional de Paraguay al MERCOSUR*".

p.19:

La identificación y formulación del Proyecto fue realizada en conjunto por la Delegación de la CE en Paraguay, la Secretaría Técnica de Planificación y la Organización Nacional Promotora de la Estrategia de Competitividad (ONPEC), con el apoyo de un equipo técnico conformado por representantes de todas las instituciones concernidas del sector público y de organizaciones del sector privado. Este equipo técnico incluyó delegados del Consejo Nacional de Ciencia y Tecnología (CONACYT), del Organismo Nacional de Acreditación (ONA), de la Dirección de Normas y de la Dirección de Metrología del Instituto Nacional de Tecnología y Normalización, del Ministerio de Industria y Comercio (MIC), de los Vice-Ministerios sectoriales y el Servicio Nacional de Sanidad Animal (SENACSA) del Ministerio de Agricultura y Ganadería (MAG), del Instituto Nacional de Alimentación y Nutrición (INAN) del Ministerio de Salud Pública y Bienestar Social (MSPBS) y de la Vice-Presidencia de la República (VPR).

Evaluación de Medio Término del Proyecto de Fortalecimiento de la Competitividad del Sector Exportador Paraguayo; Abril 2008

p.8:

El PEES⁴ se pone como objetivo "*Sentar las bases de un nuevo modelo de desarrollo apoyado en la iniciativa privada, eliminando los obstáculos e ineficiencias estructurales de nuestro sistema productivo e institucional para lograr el incremento sostenido y sostenible del PIB real per cápita, el aumento de puestos de trabajo y la reducción de la pobreza*". El PEES se desarrolla en 4 ejes de acción definiendo el primero como: "Desarrollo Productivo, Competitividad e Inversiones", para el cual identifica entre las prioridades a corto plazo la conformación de conjuntos productivos exportadores o clusters, y el fortalecimiento del Sistema Nacional de Calidad.

p.8:

Para poder implementar este cambio de modelo económico se requiere de pasar por un largo proceso dirigido al aumento de la competitividad⁵, basado en el funcionamiento como Sistema País en el cual sector privado y público interactúan conjuntamente promoviendo la afirmación de una cultura de la calidad que permita al sistema empresa nacional ser competitivo sea en el mercado nacional que internacional. Al respecto en las políticas nacionales se identifican, entre otras, dos áreas prioritarias de intervención: la reorganización del sistema de las empresas a través de la promoción de conglomerados productivos o clusters, y la constitución de un sistema de nacional de calidad y certificación.

En la estrategia de Cooperación Paraguay – CE se señala que en el CSP 2001-2006 se ha previsto el apoyo de la CE a iniciativas concretas para asistir a los sectores productivos y de servicios, apoyando los esfuerzos del gobierno para fomentar la competitividad y mejorar la calidad de la producción. En este sentido, la Estrategia de la CE es entonces totalmente coherente con las necesidades del País y las Políticas nacionales. El FOCOSEP constituye la respuesta de la estrategia de cooperación CE-Paraguay a las necesidades y problemas nacionales. Cuando se miran los objetivos del FOCOSEP, su Pertinencia resulta clara e inobjetable, así como su coherencia con la estrategia de la CE para el país, tan grande es la correspondencia entre dichos objetivos y las necesidades y problemas que enfrenta el país en cuanto a desarrollo económico y competitividad.

ROM MR-030403.04, 03.05.2011

p.2:

El proyecto tuvo una elevada pertinencia que se mantiene en la actualidad. Resultó muy adecuado a las necesidades de los beneficiarios, especialmente de las instituciones del Sistema Nacional de Calidad y de Inspección y Vigilancia Sanitaria, y se alineó con las prioridades del Plan Nacional de Exportación del año 2004, siendo coherente con las políticas del Gobierno en favor de la mejora de la competitividad del sector exportador, así como con las prioridades señaladas por la UE en sus CSP 2001-2006 y 2007-2013. Esta pertinencia tan prolongada en el tiempo está justificada por la necesidad del país de situarse en una

⁴ Plan Estratégico Económico y Social (PEES) STP marzo 2001

⁵ De acuerdo al Informe del Índice global de competitividad para 2007 del WEF, Paraguay ocupa la posición 121 sobre 131 países, último de los países del continente.

mejor posición relativa con sus socios del MERCOSUR, dentro del proceso de integración.

EAMR 2008

p. 3:

La Delegation joue un rôle actif dans le suivi des questions liées au commerce: promotion de l'adoption de la norme DVB, communication adéquate sur les questions sanitaires et phytosanitaires, registre des conditions d'accès sur le marché européen produit par produit, analyse économique, accompagnement des missions de la BEL, etc. Outre les réunions régulières entre conseillers commerciaux des pays Membres de l'Union européenne des liens sont tissés avec les représentants du monde politique, économique, diplomatique et de la société civile.

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

Summary:

- FOCOSEP: An identification study was commissioned by the EC prior to launching the programme (in 2002). The programme design followed the areas of intervention recommended by the study. However, the recommended modality (budget support) was not followed – project modality was selected.

ALA/2004/016-713- Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)

Evaluación de Medio Término del Proyecto de Fortalecimiento de la Competitividad del Sector Exportador Paraguayo; Abril 2008

p. 21:

En 2002 la CE financió la realización de un estudio de identificación para un Programa de Apoyo a la Capacidad Exportadora de Paraguay. El estudio se desarrolla a partir de una solicitud específica del Gobierno de Paraguay a la CE de financiar un Programa de apoyo al desarrollo de la capacidad exportadora de Paraguay que identificaba 3 áreas de intervención:

- a) Fortalecimiento del marco jurídico e institucional para el desarrollo de las exportaciones.
- b) Creación de un Sistema Nacional de Calidad.
- c) Promoción de las inversiones la producción y las exportaciones a través de la implementación de la estrategia de clusters y la oferta de crédito a los pequeños productores rurales.

El programa que finalmente propone el estudio responde a dicha solicitud y confirma la estrategia y la pertinencia y la coherencia de la solicitud manteniendo las 3 áreas de acción con la excepción de los servicios de crédito. El estudio ofreció seguramente la base de análisis e información institucional y técnica para la definición del Proyecto, aunque finalmente no se utilizó la modalidad de financiación "Apoyo Presupuestario".

2.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

2.1.2.2 I 2.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

Summary:

- FOCOSEP: Does not appear to have been adjusted except for extension of length

ALA/2004/016-713- Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)

ROM MR-030403.04, 03.05.2011

p.2:

La única adaptación realizada en el diseño del proyecto fue la extensión de su periodo de ejecución, sin intervenir en otros aspectos que favoreciesen un mejor funcionamiento de estructuras de coordinación, ni en la realización de estrategias más diferenciadas en función de las capacidades de los actores.

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

Summary:

- FOCOSEP: The beneficiary (STP) acts as a contracting authority, but with established special unit for implementation (sort of a hybrid arrangement)

ALA/2004/016-713- Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)

Disposiciones Tecnicas y Administrativas

p.23:

El Beneficiario [Secretaria Técnica de Planificación de la Presidencia de la República, STP] constituirá bajo su autoridad un equipo de personal, compuesto por el Director nacional, el personal local y la Asistencia técnica internacional y local, dedicado exclusivamente a la ejecución del proyecto.

Evaluación de Medio Término del Proyecto de Fortalecimiento de la Competitividad del Sector Exportador Paraguayo; Abril 2008

p.24:

Para el FOCOSEP, el Beneficiario ejecuta directamente el Proyecto, ordena los pagos y actúa como autoridad contratante. La UGP, es realidad un equipo de personal constituido bajo la autoridad de la STP que funciona como instrumento ejecutivo del Ministro para la implementación del Proyecto.

Se trata entonces de una estructura institucional intermedia entre un proyecto ejecutado por una UGP con su autonomía de acción y adscrita a la institución de Tutela beneficiaria, y un proyecto ejecutado directamente por una institución a través de sus existente organización interna (dirección técnica competente, dirección administrativa, dirección financiera, dirección de adquisiciones y contrataciones, etc.).

2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

2.1.3.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”

Summary:

- FOCOSEP: Internal monitoring system not appropriate according to the mid-term evaluation
- RegularlyS monitored by the EC (ROM)

ALA/2004/016-713- Fortalecimiento de la Competitividad del Sector Exportador Paraguay (FOCOSEP)

Disposiciones Tecnicas y Administrativas

p. 27:

El Beneficiario deberá establecer un sistema de seguimiento permanente y evaluación internos al proyecto que deberá utilizarse para la elaboración de los informes mencionados en el punto III.2.5.

Independientemente de ello, la Comisión podrá enviar misiones externas de seguimiento y evaluación.

Evaluación de Medio Término del Proyecto de Fortalecimiento de la Competitividad del Sector Exportador Paraguay; Abril 2008

p.11:

Con relación al Seguimiento y Monitoreo, el Proyecto padece de producción de información que permita un seguimiento y control eficaz. En una primera etapa del proyecto se han realizado varios tentativos de diseño e instalación del Sistema Interno de Seguimiento y Monitoreo (SISM). Ninguno de estos esfuerzos parece haber dado resultados completamente satisfactorios para la STP y/o la UGP, y el puesto de coordinador de esta área es vacante desde comienzo de mayo del 2007.

p. 28:

El resultado es que el Proyecto todavía no tiene hoy un SISM funcionando que permita hacer seguimiento efectivo, sobre todo en lo que se refiere a la secuencia CF – POG – POA y a la relación Objetivos – Actividades – Resultados.

[...] Es evidente que un SIMS adecuado y la contratación del personal necesario para garantizar su funcionamiento son una urgencia y una prioridad si se quiere aprovechar oportunamente la extensión del periodo de implementación.

2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

Summary:

- FOCOSEP: Budget support modality was proposed in an analytical study commissioned by the EC prior to the programme. However, institutional capacities were not deemed sufficient for BS, and project approach was selected.

ALA/2004/016-713- Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)

Evaluación de Medio Término del Proyecto de Fortalecimiento de la Competitividad del Sector Exportador Paraguayo; Abril 2008

p.21:

El programa que finalmente propone el estudio responde a dicha solicitud y confirma la estrategia y la pertinencia y la coherencia de la solicitud manteniendo las 3 áreas de acción con la excepción de los servicios de crédito. El estudio ofreció seguramente la base de análisis e información institucional y técnica para la definición del Proyecto, aunque finalmente no se utilizó la modalidad de financiación "Apoyo Presupuestario".

En estos años se ha comprobado como dicha modalidad de funcionamiento requiere de una significativa capacidad institucional, cuando el programa propuesto por el estudio implicaba de un lado la reforma y/o la creación de nueva institucionalidad y por el otro una importante acción de articulación interinstitucional.

En este sentido ha sido seguramente acertada la decisión de utilizar el instrumento "proyecto", aun con todas las conocidas problemáticas que esto implica, y de no implementar el "apoyo presupuestario".

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

Summary:

- FOCOSEP: Capacities of the beneficiary were limited, and project design expected also actions out of their responsibility (area of influence)

ALA/2004/016-713- Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)

Evaluación de Medio Término del Proyecto de Fortalecimiento de la Competitividad del Sector Exportador Paraguayo; Abril 2008

p.9:

El Proyecto tiene objetivos muy ambiciosos sea por la amplitud, sea porque implican innovaciones y reformas de la institucionalidad que en buena parte no dependen del Beneficiario, y en algunos casos estas reformas condicionan la posibilidad de realizar otras actividades necesarias para la consecución de los objetivos.

2.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

2.3 EQ 3 - To what extent has the Commission’s TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

2.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

<p>Summary:</p> <ul style="list-style-type: none"> • FOCOSEP: Representatives of the private sector in the Steering Committee • FOCOSEP: Strong involvement of the private sector in the area of standardisation • EAMR 2010 states good relations with civil society actors.
<p>ALA/2004/016-713- Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)</p>
<p>Disposiciones Tecnicas y Administrativas</p>
<p>p.24: Con el fin de garantizar la coordinación institucional e intersectorial necesaria para la ejecución del Proyecto se constituirá un Comité Consultivo (CC) presidido por et Ministro Secretario Técnico de Planificación. En este Comité participan de plena derecho CONACYT, MAG, MIC, MSPBS, ONA, INTN, ONPEC y las autarquías que sean creadas coma Organismos de Inspección y Vigilancia Sanitaria, Fitosanitaria y de Salubridad, así como un representante de la Comisión Europea, a titulo de observador. Participaran en este Comité representantes de organizaciones del sector privado relacionados con et Proyecto. Este Comité se reunirá al menos dos veces al año.</p>
<p>Evaluación de Medio Término del Proyecto de Fortalecimiento de la Competitividad del Sector Exportador Paraguayo; Abril 2008</p>
<p>p.9: El proceso de preparación del Proyecto ha implicado la participación activa de todas las instituciones públicas y privadas que podían ser parte del proyecto o contribuir a su definición. Un estudio realizado en el 2002 ofreció la base de análisis e información institucional y técnica para la definición el Proyecto.</p>
<p>p.12: Unos primeros efectos positivos se notan a nivel de normalización, con una fuerte participación de los representantes del sector privado, cuya participación en el proceso de normalización voluntaria está en parte adquirida, y corresponde a la afirmación del proceso de auto-reglamentación del mercado.</p>
<p>EAMR 2010</p>
<p>Relations with civil society actors are cordial and frequent. Since Paraguay will be hosting the regional meeting of the “Structured dialogue” in September 2010, a preparatory meeting has been organised with POJOAJU, the umbrella organisation that assembles a wide spectrum of thematic networks of NGOs (“la red de las redes”). Several consultative and informative meetings were also held with the representatives of NGOs and local authorities within the framework of the two local calls for proposals launched in February.</p>

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

Summary:

- EAMRs state a regular exchange and coordination between the EU Delegation and the EU Member States
- EAMR 2010 states that coordination has been improved under the Spanish Presidency

EAMR 2008

La coopération avec les Etats Membres se fait sur une base régulière: réunions / déjeuners mensuels des ambassadeurs, réunions des conseillers commerciaux, réunions de coordination de la coopération et contacts journaliers avec les collègues des Pays Membres. La Délégation participe et appuie certaines initiatives des Etats Membres pour promouvoir les politiques européennes ou l'image de l'Europe (par exemple dans les domaines de l'éducation, l'environnement, la culture et la promotion de l'Union européenne auprès des jeunes).

EAMR 2009

La coordination avec les Etats-membres se réalise à travers de réunions thématiques périodiques (coopération, commerce). Elle se manifeste aussi par leur association chaque fois plus systématique aux activités de la Délégation. En matière de coopération, la coordination avec l'Espagne reste un enjeu de poids, qui pourraient se concrétiser dans le secteur éducation depuis leur récente décision de préparer un appui budgétaire sectoriel

EAMR 2010

Coordination mechanisms between Member States have been reinforced under the Spanish Presidency. Organization of regular coordination meetings at different levels: HOMs, heads of cooperation, Local Schengen cooperation and trade officers. Launch of specific coordination mechanism on human rights with the inclusion of civil society actors.

...

The coordination among Member states and the EC has improved significantly under the Spanish presidency. The bases have been laid out to continue this coordination. Although Paraguay signed the Paris Declaration last year, no general and regular coordination mechanism has been put in place. However, this mechanism is expected to be installed around the new social policy "Paraguay for all – 2020".

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Summary:

- FOCOSEP: Sharing of information on programme plans and progress with other interventions delegated as a responsibility to the beneficiary and the Steering Committee
- EAMR 2010 mentions coordination mechanisms with other donors

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p.20:

El Beneficiario concederá especial importancia a la coordinación de las actividades del proyecto con las llevadas a cabo por las instituciones nacionales, los agentes privados y los donantes en los sectores de intervención del Proyecto, particularmente las acciones financiadas por los Estados Miembros de la Unión Europea. Especialmente, se buscará que las actividades del proyecto sean complementarias y generen sinergias con los programas horizontales como AL-invest y @LIS, así como con el programa actualmente en preparación, de Modernización del Estado y los Programas de Cooperación entre la Unión Europea Europa y MERCOSUR, muy especialmente los de armonización de normas técnicas y armonización de reglamentos veterinarios.

En este sentido, el Beneficiario asegurará la coordinación recíproca de las actividades de este Proyecto con otras intervenciones nacionales y/o las financiadas por otros organismos de cooperación exteriores. Los planes operativos del proyecto deberán establecerse en colaboración con los eventuales interlocutores y se les mantendrá periódicamente informados del avance de las actividades. La formación del Comité Coordinador a que se refiere el apartado III. 1.3 de la Estructura Institucional jugará un rol muy importante a efectos de la coordinación.

EAMR 2010

A general donor meeting was organized by the UNDP to identify specific areas for coordination between international donors (UN, World Bank, USAID, JICA, COICA, IDB, etc.).

- 2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)**
- 2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries**
- 2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners**

2.4 EQ 4 - To what extent has the Commission's support contributed to an improved trade policy environment at national level?

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

2.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

2.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

2.4.2.4 I 4.2.4 Changes of 'customer' satisfaction related to the output produced by trade-related public institutions

2.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

2.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations

2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations

2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

2.5 EQ 5 - To what extent has the Commission's TRA to trade facilitation contributed to reducing trade-related transaction costs?

2.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

2.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced

2.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

2.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

2.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)

2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)

2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

2.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

2.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

2.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

2.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

2.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

2.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

2.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

Summary:

- FOCOSEP: National system of Quality was strengthened in the course of the project. The project was effective to improve the performance of the entire system and partially validate it with their international bodies. ONA reached multilateral recognition and accreditation bodies and laboratories; the laboratories of the National Institute of Standards Technology (INTN) were accredited and the National Information and Notification (SNIN) implemented system of alerts of exporters.
- FOCOSEP: The project also managed to strengthen the competence of the institutions and Health Surveillance Inspection, although the internal dynamics of the National Institute of Food and Nutrition (INAN) did not allow it to reach the level of development of other institutions. As for the National Quality and Animal Health (SENACSA) and the National Quality and Plant Health (SENAVE), they strengthened their competence through accreditation of laboratories. The Agricultural Census was conducted successfully and the Census Bureau expanded its capacity of statistical processing.

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p.33

Fortalecimiento institucional

1. ONA, INTN, SENA VE, SENACSA, INAN cuentan con Sistemas y Herramientas necesarias para una eficaz Gestión de Recursos Humanos, cuya aplicación depende de la resolución de problemas institucionales
2. ONA, INTN, INAN, ONPEC cuentan con un plan estratégico y de negocios, cuya aplicación está en marcha bien que falte resolver unos nudos institucionales, especialmente por lo que se refiere a los mandatos
3. El Sistema Nacional de Información y Notificación (SNIN, integrado por MIC, MRE y CEDIAL) ha mejorado en lo que concierne las capacidades técnicas de los funcionarios de las instituciones reguladoras públicas y está estructurando disposiciones reglamentarias para su funcionamiento, incluyendo la creación de una base de datos sobre los diferentes Acuerdos Comerciales suscritos por Paraguay en las negociaciones internacionales
4. ONA, INTN, SNIN (MIC/MRE/CEDIAL), SENA VE, SENACSA, INAN, ONPEC, DCEA/MAG están siendo han sido dotados de los siguientes bienes: a) Equipos y programas informáticos, b) 24 vehículos (todavía a entregar; entre ellos 10 se utilizarán para la realización de Censo Agropecuario Nacional, c) la construcción/remodelación de los laboratorios de SENA VE, SENACSA e INAN está a buen punto, d) la construcción de oficinas para la DCEA ha iniciado, para el ONA y la ONPEC está contratada, e) equipos para los laboratorios de SENA VE, SENACSA, INAN y metrología del INTN han sido o están siendo entregados.
5. 200 técnicos, funcionarios públicos y empresarios han sido capacitados o han participado a intercambios de experiencias, y los gerentes, técnicos, promotores y facilitadores de clústeres y algunos funcionarios del sector público se están capacitando.

p. 33

Sistema nacional de calidad

1. Han sido redactados los manuales y procedimientos de los sistemas de la calidad aplicables en laboratorios y organismos de inspección de las entidades integradas en el Sistema nacional de la calidad.
2. El INTN cuenta con el laboratorio de masas, listo para acreditarse y ha emprendido unos cursos de capacitación
3. El ONA ha avanzado hacia su Reconocimiento Internacional (Acuerdo de Reconocimiento Multilateral) del IAAC;
4. El SNIN ha modernizado su sistema informático y formado usuarios del servicio de alerta exportador.
5. El SENACSA ha elaborado el sistema de la calidad del laboratorio, elaborado un manual de la calidad, revisado dos técnicas de identificación de fiebre aftosa (una detección in vitro y un ensayo inmunoenzimático), está revisando aquello para la EEB y el sistema de inspecciones
6. El SENA VE está revisando su sistema de inspección, ha redactado manuales y procedimientos para los laboratorios de control de calidad de insumos agrícolas (LCC) y de control de residuos de plaguicidas (LRP), implementado nuevos métodos analíticos y verificado sus balanzas de forma regular.
7. El INAN está redactando los documentos del servicio de inspección, ha revisado la documentación del sistema de la calidad y el estado de calibración de los equipos de laboratorio

p. 34

Censo agropecuario nacional

1. La DCEA ha modernizado su sistema informático, actualizado la cartografía digital (de detalle en 6 departamentos, preliminar en otros 11), se ha capacitado en la entrada de datos, manipulación, tabulación, identificación de atributos y cálculo de variables; realizado el censo piloto en San Pedro, se está construyendo la sala informática para el procesamiento de los datos, y ha diseñado un sistema de procesamiento estadístico de los datos
2. La Empresa que proporcionará el personal (5,000 personas) para el relevamiento y digitación de los datos y aquella que realizará las impresiones de los datos censales y los atlas han sido contratadas
3. Se están preparando los materiales para la difusión y sensibilización sobre el Censo.
4. El relevamiento debería empezar a finales de marzo de 2008 en la Región Occidental, y luego por etapas hasta completar todo el país en junio de 2008.

p.34:

Las acciones ejecutadas han tenido impacto a nivel de cada institución intervenida, en cuanto hasta el momento se ha procedido a su fortalecimiento institucional por medio del apoyo en el diseño de la planificación estratégica y de los recursos humanos. Además unas competencias han sido creadas en cuanto a introducción al sistema de acreditación y al fortalecimiento técnico. Este último rubro ha sido diluido por el atraso en la licitación y entrega de equipos y sistemas informáticos. Por lo tanto no se puede considerar que el sistema se encuentre ya integro y que haya habido un impacto a nivel de sistema agro-exportador.

ROM MR-030403.04, 03.05.2011

p.3:

El Resultado 1 se puede considerar prácticamente cumplido, al haber quedado organizado y fortalecido el SNC. El Consejo Nacional de Ciencia y Tecnología (CONACYT) y Organismo Nacional de Acreditación (ONA) aun deben liderar su dirección, pero el proyecto fue válido para mejorar el desempeño de todo el sistema y homologarlo parcialmente con el de sus pares a nivel internacional. ONA alcanzó el reconocimiento multilateral y acredita entidades y laboratorios; los laboratorios del Instituto Nacional de Tecnología de Normalización (INTN) fueron acreditados y el Sistema Nacional de Información y Notificación (SNIN) implementó el sistema de alerta al exportador.

p.3:

En el Resultado 2, se obtuvo un cumplimiento parcial: también se consiguió fortalecer la competencia de las instituciones de Inspección y Vigilancia Sanitaria, si bien, la dinámica interna del Instituto Nacional de Alimentación y Nutrición (INAN) no permitió que alcanzase el nivel de desarrollo de las demás instituciones. Sus laboratorios aun deben ser mejorados y sus servicios ser más demandados por el sector privado, para lo que sería necesario probablemente tener un apoyo legal en forma de exigencia para la exportación. En cuanto al Servicio Nacional de Calidad y Salud Animal (SENACSA) y al Servicio Nacional de Calidad y Sanidad Vegetal (SENAVE), fortalecieron sus competencias mediante la acreditación de sus laboratorios, sin embargo, parte de los equipos recibidos no resultaron de la calidad adecuada y están infrautilizados, restando capacidades a las instituciones. El Censo Agropecuario se realizó de forma exitosa y la Dirección del Censo fue fortalecida ampliando su capacidad de procesamiento estadístico.

p.3:

Tras la conclusión del proyecto se ha producido un impacto incrementado, especialmente destacable en la consolidación del Sistema Nacional de Calidad, que sin duda potenciará los intercambios comerciales, y verificable en el reconocimiento multilateral del Organismo Nacional de Acreditación y la superación por las instituciones del sistema de los procesos de acreditación/certificación, que prestan actualmente servicios certificados de forma continuada al sector público y privado.

p.3:

No es posible determinar en qué medida el fortalecimiento del SNC y la inserción de cadenas productivas en procesos de calidad hayan contribuido a potenciar los intercambios comerciales, ya que los IOV planteados no son útiles para esto, pero sí se ha obtenido de forma clara un mejor posicionamiento del sector exportador. El impacto logrado por el proyecto está beneficiando a empresas y consumidores, que tienen acceso a los servicios prestados por laboratorios públicos acreditados, a un precio menor que el ofertado por laboratorios privados. También tienen acceso a información sobre normas de exportación y, en tanto son consumidores, disponen de productos mejorados por los sistemas de calidad implantados en las cadenas productivas.

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

- 2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies
- 2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies
- 2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 **JC 6.4 - Cost of compliance reduced**

- 2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance
- 2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

2.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

2.7.1 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

2.7.1.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

2.7.1.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

2.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

- 2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government
- 2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

- 2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements
- 2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns
- 2.8.2.3 I 8.2.5 - Availability of quality investors' information/guides

2.8.3 JC 8.3 Improved access to trade finance

- 2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed
- 2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

2.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

- 2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors
- 2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors
- 2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).

Summary:

- FOCOSEP: New regional organisations for the promotion of competitiveness strategy (Organización Regional Promotora de la Estrategia de Competitividad – ORPEC) established; and strategic plans prepared
- Initiation of national competitiveness plan preparations
- Initiation of the design of the national strategy for improving competitiveness

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p.34:

Articulación público-privada y Plan nacional de competitividad

1. Se han conformado nuevas ORPEC's: Alto Paraná, San Pedro, Caaguazú, que sumadas a las de Ñeembucú e Itapúa, constituyen el referente para las relaciones con las instituciones públicas y para la

generación de un entorno favorable a los clústeres

2. El Plan Estratégico de la ONPEC ha sido elaborado y los miembros de la ONPEC y de las ORPECs han sido capacitados en materia de clusterización, internacionalización y cooperación empresarial.
3. Se han desarrollado 7 talleres de difusión de la ONPEC, y sensibilización en los clústeres y en las ORPECs de Ñeembucú, Itapúa y Alto Paraná.
4. Se han preparado los Planes Estratégicos para las ORPEC's, que operan en los Departamentos de Ñeembucú, Itapúa y Alto Paraná.
5. Se ha conformado el Grupo impulsor para la elaboración del Plan nacional de competitividad, que incluye un Sistema Nacional de Indicadores de competitividad. Este grupo comprende, entre otros, la Secretaría Técnica de Planificación, el Ministerio de Industria y Comercio, el Consejo Nacional de Ciencia y Tecnología (CONACYT), la Unión Industrial Paraguaya (UIP), los proyectos FoCoSEP, REDIEX, PR100, la Red de Líderes para la Competitividad.
6. Ha iniciado el diseño de una Estrategia Nacional de mejora de la competitividad a nivel País, referida al Apoyo crediticio e Incentivos a la exportación, a la Calidad, a la Logística e Infraestructura Básica, a la Conectividad, a la Plataforma de innovación, a la Regionalización, a la Marca País y a las Asimetrías con el MERCOSUR.

2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

Summary:

- FOCOSEP: The achievements of the project were smallest in this area – but some progress was achieved in the clusters of cassava and starch, software and poultry.
- Noteworthy is also the impact of cluster software itself in continuous growth since the completion of the project, which is already attracting foreign investment and is integrated into international markets.

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p.34:

Programa de apoyo a clusters

Los clusters confirmados los siguientes: 1) Pollos (Departamento Central), 2) Balanceados y porcinos (Departamento de Itapúa), 3) Software (Departamento Central), 4) Mandioca y almidón (Departamento de Caaguazú), 5) Frutas (Departamento de San Pedro), 6) Stevia (Departamento Central) y, 7) Textil/confecciones (Departamento de Ñeembucú).

1. Los diagnósticos de competitividad y los planes de acción de cada uno de los clústeres seleccionados, a realizar por la ATI, forman parte de una carta compromiso que cada una de las empresas componentes de los clústeres firmaron con la ONPEC.
2. Se ha contratado el consorcio internacional (Cifesa), encargado de la realización de las actividades en los clústeres.
- 3 Se ha iniciado la capacitación de los clústeres en buenas prácticas, normas y procesos específicos.
4. Se han elaborado diagnósticos y planes de negocios de clústeres con identificación de puntos críticos y recomendaciones para mejorar la competitividad; se han iniciado los trabajos del consorcio internacional para la implementación de dichos planes de negocio.

ROM MR-030403.04, 03.05.2011

p.3:

El Resultado 3,

Fortalecida la competitividad de las PYME, la cooperación empresarial y la integración de las cadenas productivas, ha sido el de menor cumplimiento. Aunque en el trabajo desarrollado con la Organización

Nacional Promotora de la Estrategia de Competitividad (ONPEC) sí se logró la generación de capital social, el trabajo directo con las PYME de los clusters fue limitado, atendiendo de forma significativa sólo a los clusters de mandioca y almidón, software y avícola. La incidencia de este proceso sobre la competitividad de las PYME resulta escasa en relación con el potencial que presentaba el proyecto y merma el logro del OE. La relación indirecta entre el logro de Resultados y el logro del OE, dificulta medir la contribución realizada al cumplimiento del OE.

p.3:

Adicionalmente es destacable el impacto propio del cluster de software, en crecimiento continuado desde la conclusión del proyecto, y que ya está captando inversiones exteriores y está insertado en mercados internacionales.

2.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

2.9.3 JC 9.3 - TRA supported enforcement of ILO standards

2.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

2.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>		<i>TAP</i>	<i>Eval</i>	<i>ROM</i>	<i>Progress Reports</i>	<i>Final reports</i>
Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)	ALA/2004/016-713	Convenio de Financiación + Disposiciones Técnicas y Administrativas (DTA's)	Evaluación de Medio Término del Proyecto de Fortalecimiento de la Competitividad del Sector Exportador Paraguayo; Abril 2008 (sin anexos)	MR 2011 MR 2009 MR 2007 MR 2006		

3.1.2 EC documentation on trade-related assistance in the country

<i>Source</i>	<i>Explored</i>
EAMR	2007, 2008, 2009, 2010

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Country Fiche

UKRAINE

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1 Introduction

1.1 Country Overview

	2004	2005	2006	2007	2008	2009	2010
Exports Volume Index	171.4	159.3	167.2	188.4	204.2	133.3	166.2
Imports Volume Index	177.4	188.5	212.3	268.3	310.6	190.8	244.2
GDP per Capita in current US \$	1.367	1.829	2.303	3.069	3.891	2.545	3.007
Exports in % of GDP	61	51	47	45	47	46	50
Imports in % of GDP	54	51	49	50	55	48	53
FDI net inflows in current US \$	1,715,000,000	7,808,000,000	5,604,000,000	9,891,000,000	10,913,000,000	4,816,000,000	6,495,000,000

Export volume indexes are derived from UNCTAD's volume index series and are the ratio of the export value indexes to the corresponding unit value indexes. Unit value indexes are based on data reported by countries that demonstrate consistency under UNCTAD quality controls, supplemented by UNCTAD's estimates using the previous year's trade values at the Standard International Trade Classification three-digit level as weights. To improve data coverage, especially for the latest periods, UNCTAD constructs a set of average prices indexes at the three-digit product classification of the Standard International Trade Classification revision 3 using UNCTAD's Commodity Price Statistics, international and national sources, and UNCTAD secretariat estimates and calculates unit value indexes at the country level using the current year's trade values as weights. (2000 = 100)

Rankings of the Global Competitiveness Report of the World Economic Forum (WEF)

Ukraine	2004	2005	2006	2007	2008	2009	2010
Rank	86	84	78	73	72	82	89
total number of countries	104	117	125	131	134	133	139

WTO membership :	Yes, since 16.5.2008
-------------------------	----------------------

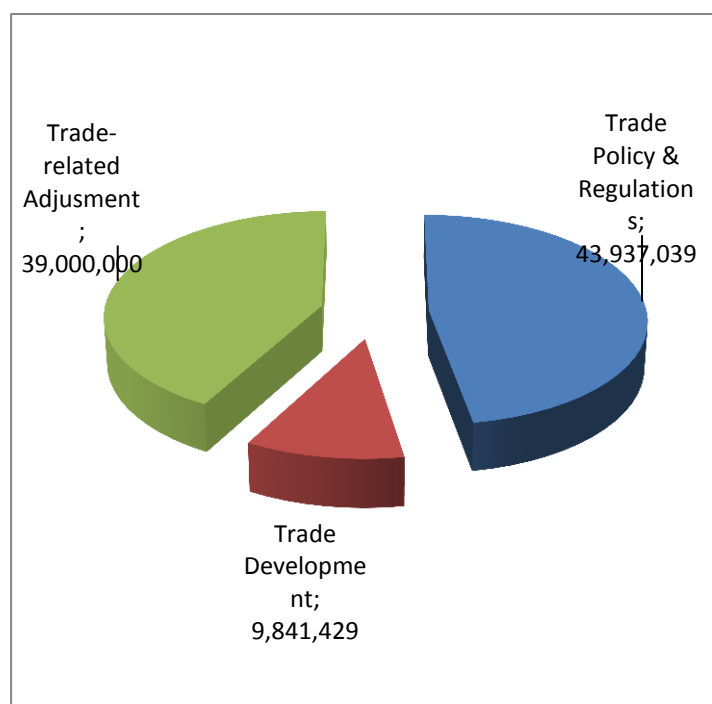
1.2 Commission's TRA to Ukraine between 2004 and 2010

1.2.1 Contribution per sector, modality and channel

1.2.1.1 Breakdown per Category

Years	Trade Policy & Regulations	Trade Development	Trade-related Adjustment	Grand Total
2004	516.412			516.412
2005	12.403.141	475.000		12.878.141
2006	2.904.768	504.173		3.408.941
2007	7.874.873	2.017.913		9.892.786
2008	11.069.954	653.343		11.723.297
2009	3.467.892	4.791.000		8.258.892
2010	5.700.000	1.400.000	39.000.000	46.100.000
Grand Total	43.937.039	9.841.429	39.000.000	92.778.468

Total volume of contracted amount 2004-2010 per category



1.2.1.2 Breakdown per Modality

Row Labels	Project	SBS	Support to Sector Programmes	Grand Total
2004	516.412			516.412
2005	12.878.141			12.878.141
2006	3.408.941			3.408.941
2007	9.892.786			9.892.786
2008	11.723.297			11.723.297
2009	8.191.783		67.109	8.258.892
2010	1.400.000	39.000.000	5.700.000	46.100.000
Grand Total	48.011.359	39.000.000	5.767.109	92.778.468

1.2.1.3 Disbursement Rate

Year	Amount contracted in €	Amount paid in €
2004	516.412	516.412
2005	12.878.141	12.598.159
2006	3.408.941	3.408.941
2007	9.892.786	9.345.565
2008	11.723.297	7.523.175
2009	8.258.892	3.468.100
2010	46.100.000	12.624.800
Grand Total	92.778.468	49.485.152

Disbursement per Category

Row Labels	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	43.937.039	31.838.296
Trade Development	9.841.429	5.646.856
Trade-related Adjustment	39.000.000	12.000.000
Grand Total	92.778.468	49.485.152

Disbursement per Modality

Row Labels	Amount contracted in €	Amount paid in €
Project	48.011.359	37444886,48
SBS	39.000.000	12000000
Support to Sector Programmes	5.767.109	40265,4
Grand Total	92.778.468	49.485.152

Disbursement per channel

Row Labels	Amount contracted in €	Amount paid in €
Government	40.100.000	12.990.000
Private Company	39.238.820	29.315.485
Development Agency	3.974.174	3.694.192
NGO/Association/Chamber/Foundation	3.732.875	3.452.875
Research Institution/University	32.600	32.600
Grand Total	87.078.468	49.485.152

1.2.2 Important TRA interventions in Ukraine

Table 29 Overview of Commission's most relevant TRA interventions in Ukraine

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Committed amount for the intervention</i>
Twinning and ENP Support Technical assistance	ENPI/2007/018-961	1.400.000
Promoting mutual trade by removing technical barriers to trade between Ukraine and the European Union	ENPI/2008/019-594	44.700.000
TACIS 2004 Ukraine Action Programme	TACIS/2004/016-777	15.014.209
TACIS 2005 Ukraine Action Programme	TACIS/2005/017-093	6.723.964
TACIS 2006 Ukraine Action Programme	TACIS/2006/018-038	12.875.771

Source: CRIS database, Particip GmbH analysis

1.3 Description of main EC intervention

1.3.1 Intervention no 1 (D-016-777)

Title: Tacis Ukraine Action Programme 2004

Budget:

Start and end date: 11/04/05-31/12/2009

Identified projects:

1) CONSUMER SOCIETY AND CITIZEN NETWORKS

Overall objective:

The overall objective of the project is to enhance civil society's role in sound economic governance in Ukraine according to EU standards.

Specific Objectives:

- To promote consumer rights and economic empowerment through capacity building of non-governmental organisations, in order to provide access to good economic governance according to EU standards and common practices;
- To improve the system of access to information on consumer rights and on the quality of goods;
- To promote consumer rights empowerment and protection systems

Project Activities:

- 1.1. Development and testing of methodology for consumer satisfaction index (CSI) measurement.
 - 1.2. Development, delivery and evaluation of training in application of CSI measurement for CSOs (possibly also to public administration bodies).
 - 1.3. Development of a tip library, a guidebook covering class actions, information exchange for Consumer CSO's lawyers.
 - 1.4. Transfer of best practices in independent consumers' testing to Ukrainian CSOs from the EU ones.
 - 1.5. Twinning between EU and Ukrainian consumers' CSOs.
-
- 2.1. Development of concept of the training course, discussion with relevant authorities (Ministry of Education)

- 2.2. Development of a detailed course framework.
 - 2.3. Development of methodical recommendations (handbook) for teachers.
 - 2.4. Development of textbooks.
 - 2.5. Securing course approval by relevant authorities (Ministry of Education, possibly local authorities in the regions).
 - 2.6. Training of trainers as the first step of cascade training of schools' teachers throughout the country.
- 3.1. Development of concept of the training course, discussion universities and the Ministry of Education.
 - 3.2. Development of a detailed course syllabus.
 - 3.3. Development of methodical recommendations for teachers.
 - 3.4. Development of textbooks for students.
 - 3.5. Securing course approval by the Ministry of Education.
- 4.1. Development of the programme for monthly training events for media, to be conducted in Kiev and in all oblasts' capitals.
 - 4.2. Delivery and evaluation of the programme.
- 5.1. Analysis, consolidation, publication and presentation of current court practices in consumer issues.
 - 5.2. Preparation and dissemination of publication on best advocacy practices.
 - 5.3. Development of a handbook for judges on hearing and ruling cases on consumer rights violation.
 - 5.4. Discussion of the handbook with the Supreme Court of Ukraine and other organizations and experts representing Ukrainian judiciary system.
 - 5.5. Dissemination of the handbook through the Ukrainian judiciary system.
- 6.1. Organisation of round tables on consumer-friendly business practices.
 - 6.2. Publication on consumer-friendly business practices.
- 7.1. Development of mission and strategy of the consumer information centre
 - 7.2. Development of constituent documents
 - 7.3. Sustainability and resource strategy development
 - 7.4. Preparation of the development plan, action plan and financial plan
 - 7.5. Development of the structure and organigram for the centre
 - 7.6. Implementation of the organisation's action plans, covering but not limited to:
 - public awareness mass actions and campaigns;
 - resource centre for other consumer protection NGOs;
 - maintenance and development of web portal;
 - selection of products for independent testing, implementation of such testing and dissemination of results.
- 8.1 Development and testing of the concept of the web resource.
 - 8.2 Development and testing of the prototype.
 - 8.3 Official launch of the web site.
 - 8.4 Promotion of the site.
 - 8.5 Periodic quarterly testing of site's perception by users.
 - 8.6 Establishment of links to other consumer CSO's sites.
 - 8.7 Establishment of links to similar international web resources.
 - 8.8 Translation and publication of materials from similar international resources.
 - 8.9 Development of on-line libraries.

- 8.10 Development of on-line information and consultative centres for citizens and for consumer CSOs.
- 8.11 Publication of results of independent testing.
- 8.12 Preparation and publication of articles on products and consumer rights enforcement.
- 8.13 Development and running of users' forums.
- 8.14 Development and maintenance of an on-line system of rapid dissemination of information on dangerous goods identified by citizens and consumer CSOs.
- 8.15 Development of on-line training courses.

- 9.1. Design of surveys, establishment of samples.
- 9.2. Implementation of surveys.
- 9.3. Analysis and publication of results.

- 10.1 Development and discussion of campaign's concept, selection of most effective media channels using the results of the survey above
- 10.2 Implementation of the campaign
- 10.3 Publication of project's periodic information bulletins
- 10.4 Organization of public debates on products safety and nutrition
- 10.5 Production and dissemination of brochures/leaflets on various consumer issues

Project duration: 38 months

2) SUPPORT UKRAINE PROGRESSIVE INTEGRATION TO ELECTRICITY TENs

Overall Objective

To support Ukraine's progressive integration in the Electricity Trans European Networks (TEN-E)

Specific Objectives

1. To assess Ukraine's current power infrastructure and interconnection compatibility, and address relative energy security issue
2. To assist Beneficiary/Project partner in strengthening Ukrainian Legislation and institutional capacity towards integration to EU electricity network
3. To support Beneficiary/Project Partner in developing the Ukrainian strategy and implementation plan for progressive participation to Electricity-TENs.

Through the implementation of the following activities (tasks):

- Task 1 Technical studies,
- Task 2 Legal and institutional studies,
- Task 3 Environmental study,
- Task 4 Electricity exchanges pricing study,
- Task 5 Network integration plan,
- Task 6 Action plan for participation in TEN-E,
- Task 7 Training,
- Task 8 Priority information activities, and
- Task 9 Support in the implementation of the Action Plan prepared under Task 6,

The project should achieve the following results (project outputs):

1. Technical capacity of the Ukrainian energy sector is studied in respect to progressive participation in the TEN-E;
2. Legislative and institutional basis for the network interconnections is improved through following the EU Requirements;
3. Legal analysis and environmental study is carried out with respect to EU standards;
4. Electricity pricing study is implemented in view of integration of Ukrainian and EU electricity market.

Target groups are the Ministry of Fuel and Energy of Ukraine and associated project partners as NEC Ukrenergo, NJSC ECU (Energy Company of Ukraine), NERC (National Energy

Project starting date

Signature and contract start 07/06/06

Suspension period

Until 04/12/06 (date of the Addendum signature)

Project duration

30 months

1.3.2 Intervention no 2 (D-017-093)

Title: ACTION PROGRAMME FOR UKRAINE 2005

Budget: € 88 Million

Start and end date: 14/02/2006- 31/12/2010

Identified projects:

Tacis Management Committees approved in 2001 and 2003 respectively the Country Strategy Paper 2002-2006 and the National Indicative Programme 2004 - 2006 for Ukraine. The Action Programme 2005 is developed fully in line with these strategic documents. The proposed activities are focused on three areas of co-operation: (1) support to institutional, legal and administrative reform, (2) support to the private sector and economic development and (3) support in addressing the social consequences of transition.

Support to the private sector and assistance to economic development:

- Norms and standards: following the endorsement of the Action Plan, Ukraine needs now to prepare itself for the challenge of integration into the EU market. Meanwhile, Ukraine will continue developing trade relations with its other neighbours. Taking into account the scarce resources of the country and the magnitude of the challenge, the project will help Ukraine to define priority sectors or branches in which to approximate to and implement the EU Internal Market rules and processes (notably certification mechanisms) and to help to design a coherent way to achieve this. Specific attention will be given to implementation and control issues, as the confidence of trade partners in the Ukrainian systems will be a major condition for success of economic integration.

- Strengthening of financial services sector: this follows the same logic as the previous project. The field of financial services is not strongly developed in Ukraine. Previous projects have been dealing with some parts of the system. But the objective of EU economic integration implies a much more comprehensive approach. The project aims at assessing the need for a financial services market in Ukraine, with the requirement to go towards compatibility with EU rules and processes, and to help Ukraine to design its strategy and timing. Part of the project will be devoted to support specific SME lending instruments through the EBRD programme, as a follow up of the Bangkok facility and as a follow-up to assistance given under previous years' action programmes.

- Coal sector policy support programme: by its size and its characteristics, the coal sector is a major sector in Ukraine. Furthermore, the sector policy includes complicated and painful political decisions, with a potentially huge social impact. For example, it is obvious that a substantial part of the sector will have to be closed and the process and the social flanking issues have to be carefully addressed. The European Union has itself a long experience in this area and the project will gain from this experience. The project aims at assessing the whole sector, challenges and needs, helping Ukraine to design its strategy and proposing options to implement it, on the basis of possible scenarios. Specific attention will be paid in this exercise to safety issues in the sector and to State budgetary costs clarifications. Sustainable local development: as a follow up of National Action Programme 2004 project, this covers the works to be achieved implementing the previous project. As the previous one, it implements a holistic approach (all sectors involved in local development and public utilities services) and focuses on the small towns of Eastern regions of Ukraine, not covered by the current Neighbourhood Programmes or by the EBRD Programmes.

1.3.3 Intervention no 3 (D-018-038)

Title: Tacis Ukraine Action Programme 2006

Budget: 100 million euro

Start and end date: 15/06/2007- 31/12/2011

Objectives, expected results and activities:

TAP not available

1.3.4 Intervention no 4 (D-018-961)

Title: Twinning and ENP Support Technical Assistance

Budget: €20 million

Start and end date: 31/07/08-31/07/14

Objectives and expected results:

Overall objective:

- To meet the pre-requisites of government-led donor coordination;
- To meet the objectives of the Action Plan and prepare to the challenges of the Enhanced Agreement;
- To assist Ukraine in preparing the sectoral reform and development strategies which would best benefit from the EC's sector and budget support.

Specific objective:

- To strengthen the administrative capacity of the Ministry of Economy to manage and coordinate external assistance;
- To build the capacity of the Ukrainian ministries and agencies to enforce effectively the commitments set forth in the ENP Action Plan and its successor Enhanced Agreement, and their national reform programmes (following the priorities identified in the related Implementation Tools, like judiciary reform; police reform; regulatory reform);
- To prepare Ukraine and support the implementation of the contemplated deep free-trade agreement in sectors identified as key for its success (such as WTO SPS, Quality assurance, Market structures).

Expected results:

- Enhanced understanding of EU issues among the Ukrainian relevant administrations;
- Improved Ukrainian taking on board of EU systems and laws;
- Better preparation and guarantee of proper implementation for budgetary support

Activities:

Ukraine's public service generally suffers from its insufficient administrative capacity when confronted to the task of streamlining the country's necessary reforms and abiding by its international commitments (including those undertaken within the framework of bilateral relations with the EU). This factor affects also, to some extent, the capacity of the Ministry of Economy, in its quality of External assistance co-ordinator, to manage and co-ordinate aid.

The proposed measure will address this weakness, using whenever possible the advantages offered by the twinning modality. Improved administrative capacity, approximation, and national strategies in the sectors presently defined as priorities will allow to withdraw progressively from them and address other objectives of the ENP Action Plan and the future Enhanced Agreement. This approach assumes that Ukraine will go on with its administrative reform, thus creating the pre-conditions for retaining civil servants in public administration after implementation of the measure.

For the same reason of administrative weakness, technical assistance will still be required to properly prepare sector-wide projects. In that area, coordination with other Donors will be particularly sought for, in view of more efficiency, quicker results, and EU Commitment No. 1 of the Paris Declaration ("Provide

all capacity building assistance through coordinated programmes with a preference towards multi-donor agreements”). For instance, where another Donor or IFI plans to investigate a particular sector or sub-sector of importance from an AP / Enhanced Agreement support prospective, the EC will contribute via co-financing arrangements so that EU specific concerns are taken into account during the investigation (including the re-development of reform and development strategies as appropriate).

One of these sectors will be law enforcement, where Ukraine is seeking to achieve a substantial reform, ensuring that the country will respect the human rights in its task of maintaining internal order. The set-up of indicators, preparing for a budgetary support in the foreseeable future, will also help Ukraine to achieve designing the implementation of its strategy and help it to get monitoring input, for instance by the Council of Europe, supported by civil society representatives.

1.3.5 Intervention no 5 (D-019-594)

Title: Promoting mutual trade by removing technical barriers to trade between Ukraine and the European Union

Budget: 45.0 million

Start and end date: 22/12/2009-22/12-2015

Objectives and expected results:

Overall objective:

The general objective of the sector policy support programme (SPSP) is to contribute to economic reform and the gradual integration of Ukraine’s economy into the European Union's Internal Market.

Specific objective:

The specific objective of the sector policy support programme is to implement policy measures to remove technical barriers to trade between the EU and Ukraine, including the modernisation of the institutional framework for quality assurance.

Expected results:

The national sector strategy contemplates the following results, which will be supported by the programme:

- Approximation of the legislative framework in the sphere of technical regulation (to EU and WTO TBT requirements), including: the transition from mandatory certification to conformity assessment and the separation of the conformity assessment and market surveillance functions; introduction of product liability; amending the consumer protection legislation to abolish provisions creating possible barriers to trade; adoption of technical regulations harmonised with the EU New Approach Directives; review and replacement of old GOST standards and adoption of ISO and European Standards.
- Establishment of a market surveillance system.
- Refurbishment and upgrading of the material infrastructure of testing laboratories.
- Improved access by national and foreign interested parties to information on standardisation, metrology and conformity assessment, including the establishment of an electronic data base of standards.
- Reform and strengthening of the institutional infrastructure for quality assurance, including institutions for standardisation, market surveillance, metrology, conformity assessment and accreditation, with a view to resolve the existing conflicts of interests and to enable it to perform and maintain over time the above-listed changes.

Activities:

Main activities to implement the SPSP will consist in setting up and running appropriate mechanisms to attain the above-listed objectives and more specifically the agreed disbursement targets, developed on the basis of the main orientations included in key strategy documents prepared by the Ukrainian authorities. These may include, albeit will not be limited to:

- Development and implementation of plans for organisational changes in the involved institutions, and for their modernisation in terms of equipment and methodologies;
- Institution and capacity building activities;

- Development of and lobbying for adoption of new legislation;
- Setting up institutions and mechanisms for implementation of the new legislation;
- Adoption of international and European standards replacing old USSR standards;
- Development of information systems / databases;
- Participation in the activities of the committees of the international organisations on standardisation and accreditation;
- Establishment and running of a mechanism to monitor the achievement of the agreed disbursement benchmarks.

These activities may be assisted by the complementary support component of the programme.

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

Summary for each indicator:

- According to the CSE (2010), in both CSPs the formulation of the Commission's response strategy lists objectives that are those of the PCA and of the EU-Ukraine Action Plan, in particular concerning "Economic and social reform and development" and "Trade, market and regulatory reform".
- European integration and compliance with standards have been set by the government as priorities after the Presidential elections.

Full extractions

Document: D-018-961\IF

Position: 44 - 45

Code: EQ1-relevance\JC11\I-112

Consistency with Partner Government(s) policies and strategies

The Ukrainian government has developed or is working on sectoral reform strategies in all the priority sectors. However, all of them require in-depth revision and refinement in the light of the commitments taken under the ENP, and in anticipation of the upcoming FTA Agreement. Therefore the proposed measure is and will remain consistent with the country's reform and development strategies, to which it will contribute directly, while strengthening Ukraine's capacity to maintain and update these strategies in future.

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 396 - 603

Code: EQ1-relevance\JC11\I-112

Relevance

1. The Commission's cooperation with Ukraine underpins institutional, legal and economic reforms which facilitate further rapprochement of Ukraine with the EU for the benefit of both parties.

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 518 - 1643

Code: EQ1-relevance\JC11\I-112

EQ 1 on Relevance – Answer Summary Box

The sequential character of the EC cooperation programming process, the analysis of the political, economic and social situation on the basis of which the EC response strategy is formulated, and the involvement of the GoU and CSOs in the programming process, together ensure that the needs of the country and of its population are duly taken into consideration. But a key criterion for assessing the relevance of the Commission's cooperation with Ukraine is its consistency with the objectives that both parties have identified as reflecting their common interest. In fact the focal areas of intervention identified in the CSPs and NIPs have been consistent with the objectives and priorities agreed in the PCA and the EU-Ukraine Action Plan, as well as with the principles, objectives and methods of the European Neighbourhood Policy.

The search for mutual benefit, which underlies the cooperation between the EU/EC and

Ukraine, may be a source of tension with the Government and with CSOs, which consider that in some instances EU interests tend to prevail.

(...)

In both CSPs the formulation of the Commission's response strategy lists objectives that are those of the PCA and of the EU-Ukraine Action Plan, namely:

(...)

Economic and social reform and development: further progression on the establishment of a fully functioning market economy; strengthening social reform and encouraging approximation to EU social standards; reducing regional imbalances; promotion of sustainable development

(...)

Trade, market and regulatory reform: customs legislation and procedures, technical regulations, standards and conformity assessment, sanitary and phytosanitary issues, establishment and company law, financial services and markets, taxation, competition and consumer protection policy, development of the legislative and administrative framework for SMEs, intellectual and industrial property rights, public procurement and statistics.

Document: D-017-093\TAP

Position: 879 - 1337

Code: EQ1-relevance\JC11\I-112

Cooperation related policy of beneficiary country

Following the Presidential elections Ukraine has clearly announced its aim to pursue

European integration and to become "EU compatible". The government has praised the EUUkraine Action Plan as a positive first step in this direction. In addition, the President

underlined among priorities the need to be closer to the people and the government has suggested the "Towards the People" action programme.

Document: D-016-777\MR1

Position: 1234 - 1800

Code: EQ1-relevance\JC11\I-112

1. Quality of Project Design.

The project goal is to support Ukraine participation in the electricity Trans-European Networks (TEN-E). The project is in line with the national policy and is considered as strategic for the Ukrainian Power System (UPS). The project addresses the current need to develop and modernise the energy sector facilities with perspective of Ukraine's energy system interconnection with the network of the Union for the Coordination of Transmission of Electricity (UCTE). The goal is to reach the interconnection within January 2008

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

Summary for each indicator:

- According to the CSE (2010), "the Government of Ukraine is closely involved in the programming of the EC cooperation and CSOs have been increasingly associated, but the Commission is perceived as exerting a strong lead in this process. (...) CSPs and NIPs are elaborated in close cooperation with the GoU".
- Stakeholders have been identified in the projects under review.

Full extractions

Document: D-018-961\IF

Position: 49 - 51

Code: EQ1-relevance\JC11\I-113

Stakeholders analysis

The key stakeholders will be the concerned industries and society groups, policy-setting and implementing ministries and agencies, the judiciary system, and, though indirectly, the community of donors. The proposed measure will impact first and foremost on the policy-setting and implementing agencies, however enforcement of EU-compliant procedures should rapidly lead to involve the civil society and businesses in the project. Ukraine is characterised by a rich, though under-developed, civil society and business infrastructure, which will ease up their immediate involvement. The projects will in turn foster further development of this infrastructure.

Although policy setters and the Ministry of Economy have initiated the measure, in certain sectors, like environment, civil society and business associations have declared their willingness to participate as stakeholders. The capacity of the judiciary to follow suit is more at stake, considering the need to complete assistance to its reform that has been recently launched in cooperation with the Council of Europe. It is expected, however, that mobilisation of the judiciary is an achievable secondary objective of the measure.

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 606 - 819

Code: EQ1-relevance\JC11\I-113

2. The Government of Ukraine is closely involved in the programming of the EC cooperation and CSOs have been increasingly associated, but the Commission is perceived as exerting a strong lead in this process.

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 369 - 1674

Code: EQ1-relevance\JC11\I-113

CSPs and NIPs are elaborated in close cooperation with the GoU. The Delegation's partner for this task is the National Coordinating Unit (NCU) within the Ministry of Economy. The NCU acknowledges that the quality of cooperation with the EC has improved over time. According to the NCU three important milestones in this respect have been the formulation by the EU of the European Neighbourhood Policy; the implementation of this policy from 2007, with replacement of the TACIS instrument by ENPI; and the start of negotiations on the Association Agreement and the Free Trade Area. The NCU assesses positively the move of EC cooperation towards budget support and sector-wide approaches. It welcomes the increasing financial volume of EC aid to Ukraine although it also observes that Ukraine receives less aid per capita than other ENP countries. On the negative side the NCU considers that it is not sufficiently informed of the possibilities offered by the financing instruments managed by EC Headquarters, and that insufficient resources have been allocated to investment. The NCU also considers that the EC takes the lead in the design of the cooperation strategy whereas in its view the Commission, as a signatory of the Paris Declaration, should leave the lead to the GoU.

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 2119 - 3407

Code: EQ1-relevance\JC11\I-113

Since 2007-2008 the Delegation has undertaken to involve CSOs more closely in the identification and assessment of its cooperation activities. CSOs mention in particular, as positive examples in this regard, the conference "European Commission and Civil Society: experience gained and new opportunities in Ukraine" held by the Delegation in 2008, and the invitation made to CSOs to contribute to the mid-term review of the CSP 2007-2013 and to the identification of priorities for the NIP 2011-2013. But whereas CSOs would like to be involved in the whole programming process, while they are consulted at a preliminary stage of CSP, NIP and AAP formulation they have no say in the finalisation stage.

The sequential character of the EC cooperation programming process, the analysis of the

political, economic and social situation on the basis of which the EC response strategy is formulated, and the involvement of the GoU and CSOs in the programming process, together ensure that the needs of the country and its population are duly taken into consideration. But some CSOs consider that the EC unduly presses the GoU to implement policies that serve EU interests at the expense of policies more strongly oriented to satisfying the needs of the population.

Document: D-019-594\AF
Position: 53 - 55
Code: EQ1-relevance\JC11\I-113

3.3. Stakeholders

Primary responsibility for reforming the sector and therefore removing TBTs in EU-Ukraine trade lies with the Ministry of Economy and the State Committee for Technical Regulation and Consumer Policy (DSSU), a central executive body reporting to the Ministry of Economy. The National Accreditation Agency (NAAU) and the future National Standardisation Body to be established in the course of the structural reform will also play a key role in implementing the measure. These institutions generally need strengthening of their institutional capacity to refine, maintain, and monitor reform in their fields of responsibility. External capacity support will be provided in the form of technical expertise, whereas capacity-building twinning projects are already underway with DSSU and NAAU.

The wider target group of recipients includes the sectoral standardisation bodies (Ministry for Agrarian Policy, Ministry of Housing), organisations (conformity assessment bodies; fundamental and industrial metrology bodies; market surveillance authorities; scientific and training institutions) and groups of professionals (industrial and professional associations).

Document: D-016-777\MR1
Position: 1802 - 2619
Code: EQ1-relevance\JC11\I-113

The ToR were prepared about three years ago, and since that time some progress has been made towards the integration of the Ukraine's electricity network with the UCTE networks. A joint UCTE-Ukraine Working Group was organized to review conditions of integration of the Ukrainian system. Several studies have been already carried out by this Working Group concerning the integration. At the same time the project results, specific and overall objectives as defined by the ToR remain valid.

The project Beneficiary is the Ministry of Fuel and Energy (MoFE), which plays a leading role in the harmonisation of the energy sector of Ukraine with the EU. The National Electricity Company "Ukrenergo", who operates the high voltage transmission network, is defined by the ToR as the key Project Partner.

2.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

Summary for each indicator:

- According to the CSE (2010), TRA support strategies have demonstrated responsiveness to changing circumstances over time. In the NIP 2007-2010, the EC "support to private sector and economic development" moved towards the establishment of a positive regulatory environment with a focus on the promotion of mutual trade and improvement of the investment climate.

Full extractions

Document: CSE\Ukraine_CSE2010_vol1_en
Position: 2479 - 3267
Code: EQ1-relevance\JC12\I-121

Another significant change affected the EC support for economic development which over time has remained a priority area of the EC cooperation. In the CSP 2002-2006 this issue was characterised as “support to private sector and economic development” and involved direct assistance to enterprises and for the development of such sectors as banking and insurance. In the NIP 2007-2010 the EC approach to this issue moved towards the establishment of a positive regulatory environment with a focus on the promotion of mutual trade and improvement of the investment climate. Finally in the NIP 2011-2013 this priority area is defined as “Facilitation of the entry into force of the EU-Ukraine Association Agreement including a Deep and Comprehensive Free Trade Area (DCFTA).”

2.1.2.2 I 2.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

2.1.3.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”

2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

2.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

Summary for each indicator:

- In December 2009, a Financing Agreement was signed for a SBS supporting the removal of technical barriers to trade (€39 million to be disbursed in four tranches plus €6 million of technical assistance).
- The release of budget support tranches under the Programme is contingent, among others, on the condition that the Government is committed to implement the measures identified in the EU-UA agreements and action plans and related to the removal of the technical barriers to trade. In order to assess the progress of reforms supported by the Programme, the Commission will avail itself of the assessment made by the Joint Monitoring Group, its own staff and, if needed, of external technical expertise.

Full extractions

Document: CSE\Ukraine_CSE2010_vol1_en

Code: EQ2-aid mod\JC22

In December 2009 Financing Agreements were signed for two sectoral budget support (SBS) programmes, including a SBS supporting the removal of technical barriers to trade (€39 million to be disbursed in four tranches plus €6 million of technical assistance).

Document: D-019-594\TAP

Position: 99 - 110

Code: EQ2-aid mod\JC22\I-221

General conditions for the disbursement of all tranches and eligibility for budget support.

The release of budget support tranches under the Programme is contingent on the following general conditions:

1. The Government of Ukraine makes satisfactory progress in the maintenance of a stability-oriented macroeconomic policy. The European Commission will use the following information in its assessment of macroeconomic performance:
 - evidence to be provided by the Government of Ukraine in writing;
 - information on the International Monetary Fund lending programme and consultation process;
 - statistical information from Ukrainian and European authorities regarding current macroeconomic and financial situation and public finance management;
 - PEFA reports by the World Bank;
 - analysis by the Trade and Economic Section of the EC Delegation to Ukraine.
2. Satisfactory progress in the reform of the public financial management (PFM), in particular in the areas of medium-term credibility and transparency, public procurement and sound management and control of public finances.
3. **Government's commitment to implement the measures identified in the EU-UA agreements and action plans and related to the removal of the technical barriers to trade.** Information from WTO on the fulfilment by Ukraine its obligations related to the WTO TBT Agreement may also be used.

Once the budget support programme has entered into implementation its continuation is contingent on further maintaining the general conditions.

In order to assess the progress of reforms supported by the Programme, the Commission will avail itself of the assessment made by the Joint Monitoring Group, its own staff and, if need be, of external technical expertise.

2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

2.3 EQ 3 - To what extent has the Commission's TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

Summary for each indicator:

- The Partnership and Co-operation Agreement ("PCA") between the European Communities and their Member States, on the one part, and Ukraine, on the other part, aim among others at providing an appropriate framework for political dialogue, and promoting trade and investment between the parties.
- In the framework of Ukraine-EU Co-operation Council 4 Subcommittees have been established and function, including EU-Ukraine Subcommittee on Trade and Investment.

Full extractions

Document: D-016-777\02 - Support to PCA Implementation PF+LF

Position: 12 - 29

Code: EQ3-3C\JC31

1 Assessment of related sector policy of beneficiary country

The Partnership and Co-operation Agreement ("PCA") between the European Communities and their Member States, on the one part, and Ukraine, on the other part, was signed in Luxembourg on 14 June 1994 and came into force in March 1998.

The main objectives of the PCA are to develop close relations by means of permanent dialogue on political issues, to provide an appropriate framework for political dialogue, to promote trade and investment between the parties, to provide a basis for mutually advantageous economic, social, financial, civil, scientific, technological and cultural co-operation and to support Ukrainian efforts to consolidate its democracy, to develop its economy and complete the transition to a market economy.

In accordance with the PCA Parties have established a regular political dialogue.

Talks at the highest political level are held in the framework of Summits.

The PCA established a Cooperation Council to supervise implementation of the Agreement. It meets at ministerial level at least once a year.

The Co-operation Council is assisted in the performance of its duties by a Co-operation Committee composed of representatives of the members of the Council of the European Union and of members of the Commission of the European Communities on the one hand and of representatives of the Government of Ukraine on the other.

The PCA also provides for regular political dialogue at parliamentary level within the Parliamentary Co-operation Committee.

At present in the framework of Ukraine-EU Co-operation Council have been established and function 4 Subcommittees and 3 Working Groups (in the framework of the Subcommittee #3).

1. EU-Ukraine Subcommittee on Trade and Investment.
2. EU-Ukraine Subcommittee on Finance, Economy and Statistics.
3. EU-Ukraine Subcommittee on Transport, Energy, Civil and Nuclear Cooperation, Environment, Science, Education and Technology.
 - o EU-Ukraine Working Group on Energy Savings and Renewables.
 - o EU-Ukraine Working Group on Climate Change.
 - o EU-Ukraine Working Group on Energy Strategies.
4. EU-Ukraine Subcommittee on Customs and Cross-boarder Cooperation, Combating Illegal Migration, Money Laundering and Illicit Drugs.

To date, good progress has been achieved in implementing PCA provisions but the GoU and the EU recognize the need to reinforce the rule of law and ensure a better articulation and coherent implementation of the economic policies and improvement administrative capacities. This has to be addressed by the project.

2.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

Summary for each indicator:

- According to the EAMRs, co-ordination has been reinforced. MS were closely associated in the NAP and in all IPs and CSPs. The EU MS also take part in sector WGs and entitled the Commission to represent them in the Coordinating committee.
- The EUD has initiated the creation of a common database for the EC and the EU MS, which will encompass mapping of EU activities in Ukraine according to the EU-UA Action Plan. The aim, in the longer perspective, is harmonisation and coordination of EC and EU MS activities in terms of joint programming and joint financing.
- However there is no evidence so far specifically related to the TRA sector.

Full extractions

Document: EAMR\Eamr_2006

Position: 42 - 45

Code: EQ3-3C\JC32

Co-ordination with Member States

Co-ordination has been reinforced. MS have been consulted on all programmes under preparation, important missions from HQ and were closely associated in the NAP 2006, RAP 2006, NAP 2007 and in all IPs and CSPs.. They are interested by the idea of "umbrella projects", preparing SWAPs and basket funding, and by the twinning programme.

The EU MS also take part in sector WGs and entitled the Commission to represent them in the Coordinating committee, provided that some MS can accompany the Commission as observers if they have a specific interest.

The Delegation organised a visit of civil society projects for MS and plans to have further similar actions, showing the MS the use of EU money.

Document: EAMR\rapport_dec 2007

Position: 27 - 32

Code: EQ3-3C\JC32

Co-ordination with Member States

• The Delegation organises monthly EU meetings on external assistance, providing regular updates on programming (NAP 2008), twinning and TAIEX. Permanent items on the agenda are: donor coordination, the Code of Conduct and other documents on the EC aid effectiveness targets, such as joint co-financing.

• The Delegation has initiated the creation of a common database for the European Commission and the EU Member States, which will encompass mapping of EU activities in Ukraine according to the EU-UA Action Plan. The aim, in the longer perspective, is harmonisation and coordination of EC and EU MS activities in terms of joint programming and joint financing.

• In addition, the Delegation organises thematic and policy discussions to improve harmonisation and alignment, particularly in areas which are ENPI assistance priorities.

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Summary for each indicator:

- The projects under review draw on past experience and on-going projects. They are complementary with projects funded by other donors.

Full extractions

Document: D-018-961\TAP

Position: 16 - 22

Code: EQ3-3C\JC33

2.3. Complementary actions

The project draws on past experience and on-going projects, be they funded by the EU or by other donors. For instance, the delivery method has been chosen based on recent positive experience with twinning projects, and the successful use of preparatory assistance for designing sector-wide support. The results expected from sector-wide studies foreseen under Ukraine NAPs 2005 and 2006 has been taken into consideration, as well as the need to further past or on-going assistance, where follow-up is being required.

2.4. Donor coordination

All donors and IFIs are co-ordinated via the Donor-Government Working Group established and run by the Ukrainian Ministry of Economy in line with the Paris Declaration on Aid Effectiveness. A specific working group is in charge of co-ordinating support to administrative reform and governance, including actions to strengthen administrative capacity. In addition, other Donors and IFIs have generally agreed to use Ukraine's commitments set forth in the EU-Ukraine Action Plan as a basis for designing their own aid conditionalities in the relevant sectors, thus ensuring consistency of their activities with those contemplated in this action.

Document: D-019-594\AF

Position: 30 - 39

Code: EQ3-3C\JC33

2.5. Complementary actions

Tacis projects

The Ukraine NAP 2005 includes a EUR 9 million sector-wide action in the field of "Norms and standards" to be implemented through service contracts, supply contracts, grants and two twinning projects. The latter projects co-operate closely with the Ukrainian-European Policy and Legal Advice Centre (UEPLAC), which is the principal provider of Community assistance on legal approximation.

The TAIEX instrument has also allowed delivering workshops on practical aspects of the New Approach Directives and on Quality Management Systems in public authorities, including those forming the national institutional infrastructure for quality.

Other donors' activities in the sector

The USAID "Trade, Investment and Business Acceleration" project, which focuses on the 'demand-side' of quality assurance services: assistance to WTO accession and post-accession measures; improvement of business environment; and the streamlining of business regulations under the MDC Threshold Programme.

The International Finance Corporation -IFC- "Business Enabling Environment" project consists in surveying the impact of the national quality infrastructure on small and medium enterprises, and promoting reform of the business environment.

2.6. Donor coordination

Ukraine has recently established a framework for government-led donor coordination. This mechanism includes a Trade-related assistance group (Thematic group A1), led by the Government with support of the Commission as "lead donor". Frequent working contacts between the EC Delegation and the World Bank and the IFC; USAID; UNDP and smaller donors involved provide a certain degree of cohesion and coordination of efforts.

Donor coordination has made less progress in the field of PFM. The PEFA assessment of the PFM system was carried out by the World Bank. The PFM reform strategy and Action Plan are being prepared by the Government with technical assistance of the World Bank, other donors providing assistance to the Ministry of Finance and related institutions not being involved. However, the Commission is defining the PFM related conditions essential for introduction of budgetary support based on the PEFA assessment. This work is carried out in close coordination with the World Bank to ensure that unified criteria are applied.

Document: D-017-093\TAP

Position: 2349 - 3066

Code: EQ3-3C\JC33

4. Complementary actions and Donor Coordination

Other on-going EC actions are implemented either through TACIS multi-country programmes (Regional, Nuclear Safety) or through thematic programmes. For Ukraine, this means the European Initiative for Democracy and Human Rights and the destruction of personnellandmines. Complimentarity will be ensured between the proposed National Programme, these two thematic programmes and with the Nuclear safety programme. Coherence has been ensured between the National Action Programme 2005 project on border management and the on-going and future projects on borders in the Regional Programme involving Ukraine. The sector approach on transport proposed here is foreseen to be extended next year to some other countries within the Regional Programme, Ukraine initiating the process.

On complementary actions from other donors, it has to be underlined that any proposal listed here has been assessed according to these criteria, to avoid overlapping with other donors. Donor coordination has also been strengthened in so far as other donors have recognised the priority given to the various policy lines provided by the EU - Ukraine Action plan.

Project by project:

(...)

Norms and standards project being a core action to implement the Ukraine- EU Action Plan, it is to be led by the EC and this approach is shared by other donors.

On the financial sector, other donors (especially the IFIs) have projects on going or foreseen; that's why the current proposal here aims at providing Ukraine with means to ensure that its current and further actions in this field will fit the European markets integration goal;

Document: D-016-777\14 - EBRD TAM Programme PF+LF

Position: 77 - 89

Code: EQ3-3C\JC33

6. COMPLEMENTARITY WITH OTHER DONORS – ADDED VALUE OF EC INTERVENTION

To date, TAM Programmes in the Ukraine have been supported by: EU TACIS; Italy; Finland; Japan; UK; Austria; Central European Initiative (CEI); Denmark; Germany; Greece; the Netherlands; Belgium; Canada; Luxembourg; Switzerland and Taiwan.

EU funding will allow the Programme to:

- be expanded to be better able to meet the high demand for TAM assistance, and especially for projects to promote the development of rural areas;
- Bring good business practice and corporate governance to companies to attain the levels of the EU. This will facilitate joint ventures with bordering countries where the TAM programme also operates.

EU contributions to the TAM Programme will therefore substantially increase the effectiveness and the impact of the Programme in the region.

TAM is accustomed to working with relevant government ministries and other Donor instruments, as well as with local counterparts, to facilitate an effective exchange of information on both “opportunities arising”, and on “impediments to progress”. TAM has established effective “working groups” in other countries where all parties involved in economic development share experiences and develop new initiatives, based upon needs or demand assessment and the most effective matching of inputs directed towards a common objective.

Besides the on-going TAM programmes, several other Donor funded agencies/ programmes will complement the TAM efforts in this area. Among these are:

- Sida (Swedish International Development Cooperation Agency), which is supporting Ukraine’s integration in Europe and transferring know-how, particularly for training and strengthening legislation and the exercising of public authority.
- Seco (State Secretariat for Economic Affairs of Switzerland) and the International Finance Corporation (IFC) have established a Private Enterprise Partnership (PEP), which launched the "Ukraine Corporate Development Project" (UCDP) to create better conditions for investment and improve the investment climate in Ukraine.
- CIDA (Canadian International Development Agency), which promotes security and stability in Ukraine by supporting good governance, democracy and adherence to international norms; transition to market economies; trade and investment links; and nuclear safety.
- USAID, which through its programme for small business development (BIZPRO), is assisting a network of business associations and advocacy coalitions to become financially viable and better able to represent their business constituents.

Document: D-016-777\MR1

Position: 3734 - 4133

Code: EQ3-3C\JC33

There are a number of donor interventions supporting the Ukraine's integration to electricity TENs. Close cooperation should be established with other projects and donors dealing with relevant issues including the joint UCTE-Ukraine Working Group in order to avoid duplication and to add value to the current project. The Contractor is aware about these initiatives and plans to contact them.

Document: D-016-777\11 - Devel. of Busin. Capacity of Ukrainian SMEs PF+LF

Position: 69 - 70

Code: EQ3-3C\JC33\I-331

6. COMPLEMENTARITY WITH OTHER DONORS - ADDED VALUE OF EC INTERVENTION

There are quite a number of international and private institutions involved in development of SME sector in Ukraine. These activities are co-ordinated through the Ministry of Economy, the SCURPE, and Donors meetings to avoid duplication and ensure complementarities. The proposed project includes a special action to be carried by the International Finance Corporation on studying the current state of the Ukrainian SME sector. Because it will be implemented on the basis of an objective and impartial methodology, its results widely presented to the national and regional actors and press will be highly valued

2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)

Summary for each indicator:

- All donors and IFIs are co-ordinated via the Donor-Government Working Group established and run by the Ukrainian Ministry of Economy in line with the Paris Declaration on Aid Effectiveness.
- A donor coordination process was launched by the Ukrainian side in 2006 with the Donor Conference organised by the Ukrainian Government. It was decided to enhance coordination through setting five regular thematic Working Groups (having 20 subgroups) under a coordinating Committee, joint monitoring of implementation and planning of actions with the leading role of Ukraine.

- However there is no evidence specifically related to TRA.

Full extractions

Document: EAMR\EAMR 2006-1

Position: 39 - 44

Code: EQ3-3C\JC33

Co-ordination with donors

A donor coordination process was launched by the Ukrainian side on 18 January 2006 with the Donor Conference organised by the Ukrainian Government. It was decided to enhance coordination through setting regular thematic Working Groups under a coordinating Committee, joint monitoring of implementation and planning of actions. Till now, co-ordination was ensured through bilateral (one donor and Ukraine) working groups or task forces. UNDP set up through the UNDAF a co-ordination process between all UN agencies and the Ukrainian authorities. UNDAF was initially conceived to manage co-ordination between all donors, and the Delegation intervened in 2004 to stop this. UNDP still tried to lead the Ukrainian process launched in January but had to go back after refusal of most donors (especially the small ones).

It seems now established that donor co-ordination will be managed by Ukraine alone, even if it benefits from support from some donors to build its capacity. The Ukrainian Government (Ministry of Economy, Ministry of Foreign Affairs, and Secretariat of the Cabinet of Ministers) now takes the leading role in the process of donor coordination and approaching the targets of the Paris Declaration. Ukraine intends to join the Declaration; the MFA is preparing necessary decisions. Most donors agreed to use the framework of the ENP Action Plan for assistance to Ukraine, except EBRD and UNDP. As an example, the WB and the FAO decided to use the sector analysis and programming framework developed by the Delegation based on the relevant chapters of the ENP AP to design their future food safety / agricultural / rural development project to Ukraine. Same close coordination with WB in the energy field.

The donor coordination issues will be made public through the web-site on external aid and harmonisation issues.

Efforts are taken towards coordination with the donors that are not active in aid harmonisation, e.g. EBRD. Representatives from the Delegation and HQ held consultations with EBRD in London towards coordinated actions. EIB also visited the Delegation on several instances and had discussions on energy and innovation. The Delegation helped EIB organise meetings with potential borrowers, among others Naftogaz of Ukraine and Ukrtransnafta (national oil transporter). A meeting was also arranged with the Tacis Gas transit reform project whose achievements may lead to a substantial lending proposal to improve the strategic gas transit network towards Europe.

Nevertheless, if co-ordination has improved as far as projects are concerned, there is a long way to go for co-ordination for missions. The recent decision of the Danish authorities to allocate 13 MEUR to the reform of public sector in Ukraine was not coordinated with other donors and led to specific Danish missions in Ukraine. Similarly, the Irish government decided to allocate 1 MEUR to the Main Department for Civil Service without trying and coordination actions with the other Member States and the Delegations.

Document: EAMR\Eamr_2006

Position: 37 - 41

Code: EQ3-3C\JC33

Co-ordination with donors

A donor coordination process was launched by the Ukrainian side on 18 January 2006 with the Donor Conference organised by the Ukrainian Government. It was decided to enhance coordination through setting five regular thematic Working Groups (having 20 subgroups) under a coordinating Committee, joint monitoring of implementation and planning of actions with the leading role of Ukraine. This process was formalised by an Order of the Cabinet of Ministers of Ukraine which officially makes Ministries responsible for chairing the relevant subgroups and finishing preliminary arrangements by February 2007.

Taking the leading role in the process of donor coordination by Ukrainian Government corresponds to the targets of the Paris Declaration, which Ukraine intends to join in 2007. The donor coordination issues will be made public through the web-site on external aid and harmonisation issues.

Efforts are taken towards coordination with the donors that are not active in aid harmonisation, e.g. EBRD. Representatives from the Delegation and HQ held consultations with EBRD in London towards coordinated actions. EIB also visited the Delegation on several instances and had discussions on energy and innovation. The Delegation helped EIB organise meetings with potential borrowers, among others Naftogaz of Ukraine and Ukrtransnafta (national oil transporter). A meeting was also arranged with the Tacis Gas transit reform project whose achievements may lead to a substantial lending proposal to improve the strategic gas transit network towards

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Document: EAMR\Eamr_dec2009

Position: 217 - 232

Code: EQ3-3C\JC33

Coordination with other donors

An informal forum gathering all the major donors present in Ukraine established in 2008 on the initiative of the EC is the main instrument of coordination with other donors. This forum enables to discuss common matters, harmonise positions and align them with those of the Ukrainian side. Four meetings took place in course of 2009. The discussions focused on Ministry of Economy's strategic document and the reform of the donor coordination system, reaction to the current economic and social crisis as well as on the exchange of information concerning respective donors' activities. All the main donors (except for USAID as explained above) showed their strong support for the EU proposal on the reform of the donor coordination working groups. The new UN Country Resident played an active and constructive role in strengthening the communication among donors.

All the donors have also contributed to establish a comprehensive matrix of activities sharing their projects with the Delegation (see what above reported).

Furthermore the donor community was invited to take part in the consultation process on the new National Indicative Programme for Ukraine 2011-13. This initiative was welcomed by the donors that took an active role in this exercise.

The main donors did also take a common position on strategic issues like public procurement. The World Bank took the lead in the anti-crisis coordination.

(...)

Furthermore, in June 2009 the European Commission coordinated negotiations between the Ukrainian Government and the IFIs: the EBRD, the EIB, and the WB, in close coordination with the IMF, regarding provision of loans for financing of gas in the underground storages. As a result of the negotiations, a joint statement was issued by the EC and the IFIs in July, but the conditions relating to the financing remained unfulfilled by Ukraine by the end of 2010.

UNDP is a major partner in terms of project implementation but more importantly in policy dialogue and donor coordination. A major project is the EC funded Community Based Approach, which is based on the previous UNDP experience. Under the AAP 2010 a second intensified and widened phase of the CBA project is being developed with UNDP.

The project "Consumer Society and Citizen Networks", implemented by UNDP since April 2006, was extended until the end of 2009. The project has gained a lot of visibility in Ukraine and has been highly successful in raising the consumers' awareness on products' safety and consumer rights, in capacity building for civil society organisations, media, judiciary and in introduction of consumer courses in the curricula of secondary and high education institutions.

(...)

Since 2006 the EU Delegation to Ukraine has co-funded BRAAC (Blue Ribbon Advisory and Analytical Centre). The project is co-funded and implemented by UNDP. It has been delivering high-level advice to the Ukrainian government. The project will be continued in 2010.

As regards future assistance to the Autonomous Republic of Crimea, the Delegation and Member States coordinate on the perspective "division of labour", where the EC may focus on institution and capacity building aspects in the field of regional development through UNDP, and the Member States may "plug in" in their spheres of interests and priorities. UNDP has been operating in Crimea for many years and established good relations with the authorities at central and local level, taking into account its ethnic and cultural diversity.

The EC and the **Council of Europe** are in constant dialogue coordinating their ongoing and future activities in Ukraine. The dialogue is efficiently facilitated by the office of the CoE Representative in Ukraine. In close

consultation with the EC, the Council of Europe together with Ukrainian authorities have developed a new Action Plan 2008-2011 primarily covering areas such as Protection and Promotion of Human Rights, Rule of Law, Elections, Promoting the Democratic Process and Promoting Social Cohesion.

Ukraine is a CoE member state and this membership places an obligation on Ukraine to bring its legislative frameworks in line with European standards. Therefore, co-operation with the CoE provides the EC not only with access to the necessary competencies of the CoE but also increases ownership of EC assistance by Ukrainian recipients. A comprehensive Joint Programme on Transparency and Efficiency of Judicial System of Ukraine started in 2008, aimed at assisting in establishing of independent, impartial, efficient and professional judiciary in this country. The Programme has a budget of €6 million and is planned to operate until December 2010. It is implemented by the Council of Europe in partnership with an impressive number of state authorities and Ukrainian organizations.

Document: EAMR\rappport_dec 2007

Position: 16 - 26

Code: EQ3-3C\JC33

Donor co-ordination

Ukraine joined the Paris Declaration (PD) in April 2007 through a presidential decree. The UNDP has carried out a draft Assessment Report (in November 2007) on Ukraine's capacity to implement the Paris Declaration: "Aid Effectiveness, Coordination and Management in Ukraine". The study concludes that both Ukraine and donors have a long way to go to achieve the PD targets. The assessments concludes with four main recommendations for the Government of Ukraine (GoU) in order to implement the PD: 1) Increase of GoU capacity to utilize external assistance through national and sector strategies linked to operational plans and the budget, 2) Improvement of Public Financial Management: in particular procurement and ability to apply budget support and Sector-Wide Approach, 3) Improvement of the structure for aid coordination within the Ministry of Economy and a single senior leadership, and 4) Improvement of aid coordination among donors.

The main obstacles for efficient coordination were highlighted by the donor community (EC, UN, Council of Europe, CIDA, Japan, British Council, DFID) on the occasion of the main Donor-Government Working Group meeting on 30 October 2007:

1) The need for a national strategy with clear priorities for external assistance, which should be linked to an operational plan and the budget process and involve civil society and the private sector. Moreover, a national strategy needs to be complemented by sector-based strategies: in this respect, EC assistance is clearly designed to assist the government in that endeavour.

2) The EC and the donor community stressed the need for one single high level governmental counterpart for all donors (preferably level of prime minister) with adequate powers to perform inter-ministerial coordination, which would enhance effectiveness and efficiency of coordinating external assistance.

Ukraine presented in December 2007 a draft Strategy for international Technical Aid Attraction 2008-2011. The strategy was sent on an informal basis (through email) to all the main donors in Ukraine. The strategy is now being discussed between the EC and the EU Member States (MS). In general, the strategy lacks an operational plan and links to the national budget, the strategy does not include consultation with the civil society or the private sector, it focuses on projects only and does not take new financing modalities such as budget support and Sector-Wide Approach into account and it does not include priorities identified in the EU-UA Action Plan (in general it lacks reference to European integration and priority areas of the EC, which is remarkable as EC is the biggest donor in Ukraine). It is also questionable whether this document reflects the priorities of the new government. The Ministry of Economy intends to reopen the discussion on the draft at inter-ministerial level, due to lack of proper internal consultation. The EC will consult with other donors in Ukraine before making a final comment to the draft strategy.

Ukraine will take part of the upcoming OECD Study 2008 to measure country progress according to the Paris Declaration.

The aid coordination architecture in Ukraine has not improved. It is fragmented, as there are three directorates responsible for coordination of external assistance in the Ministry of Economy (competitive and not communicating with each other): The Directorate for Coordination of International Technical Assistance (DCITA) responsible for bilateral assistance (including EU MS) and the UN, The National Coordinating Unit responsible for EC assistance and the Directorate for Cooperation with IFIs, responsible for loans and grants for IFIs. To be noted that the counterpart for EU MS bilateral assistance is the DCITA, not the same as for the European Commission. This set-up creates difficulties and donors in Ukraine will continue to express a strong preference to have one single coordinator at the highest level.

The donor coordination through the thematic working groups (DGWG) progresses slowly; the most active sub-groups are the sub-groups on agriculture, public administration and regional development. There are still groups that have not yet met or had only preparatory meetings. There are still discussions on how to improve the structure:

there has been a request to create a group only on Public Finance Management, and recently it was decided to split the group on Human Rights and Gender into two separate groups. In addition, ToRs are currently drafted for the sub-groups on Energy and Nuclear Safety (where EC is lead donor). The reluctance of Ukrainian counterparts remains: they do not understand the benefits of donor coordination and their leading role in this process. Some Ukrainian Ministries are still trying to coordinate bilaterally with donors or even set up alternative donor coordination structures.

One positive point was the final agreement reached by Ukraine with the Council of Europe (CoE) to open an office in Kyiv mainly to follow the assistance projects. The Delegation maintained regular contacts with the office *inter alia* in the context of various ongoing and planned projects in the area of good governance. The CoE representative took pro-active stand as concerns facilitation of execution of ongoing joint EC – CoE programmes and elaboration of the future ones.

The Delegation is strengthening the dialogue with the international organisations in Ukraine, through frequent meetings and discussions with the UN, USAID, EBRD, the Council of Europe and the World Bank. Prior to the main Donor-Government Working Group meeting on 30 October 2007 organised by the DCITA at the Ministry of Economy the donor community (EC, UN, USAID, CoE, CIDA and Japan) organised a meeting on the initiative by the Delegation to discuss a common approach to improve the aid coordination structure in Ukraine.

2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries

2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

2.4 EQ 4 - To what extent has the Commission's support contributed to an improved trade policy environment at national level?

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

2.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

Summary for each indicator:

- According to the CSE (2010), expected results regarding the improvement of economic growth and competitiveness have been achieved to a high extend. In particular business and investment developments have been stimulated and the SME sector has been expanded; mutual trade has been promoted and improvements of Ukraine have been noted towards WTO requirements.
- The EAMRs detail main actions undertaken to contribute to the development of closer economic and trade relations between the EU and Ukraine, mostly in terms of monitoring and participation in negotiations.

Full extractions

Document: CSE\Ukraine_CSE2010_vol1_en
 Position: 217 - 272
 Code: EQ4-nnal policy\JC43

Figure 3: Overall achievement of expected results

High Med. Low

Results	Comments	EQ
Intermediate impact: Economic growth stimulated and competitiveness improved		
Business and investment development stimulated SME sector expanding	<ul style="list-style-type: none"> • Approximation of the legal framework governing economic activity to that of the EU • Development and implementation of competition policy • Adoption of a new law on public procurement • Support to the development of SMEs, and of the banking and insurance sectors 	<ul style="list-style-type: none"> • Uneven implementation of the legal framework results in a poor business climate
Mutual trade promoted Ukraine meets WTO requirements	<ul style="list-style-type: none"> • Cooperation between EC DGs with their Ukrainian counterparts • Ukraine's accession to WTO • On-going harmonisation of standards and SPS regulations • Capacity development in the field of standardisation, conformity assessment, metrology • Development of SME export capacity 	<ul style="list-style-type: none"> • Delayed VAT refund is a disincentive to export • FDI not directly addressed • Poor business climate deters FDI

Document: EAMR\EAMR 2009

Position: 137 - 170

Code: EQ5-trans costs\JC51

Objective 1: To contribute to the development of closer economic and trade relations between the EU and the host country

Outputs	Indicator(s)	Main actions in 2009	Lead Section
<p>1. Official representation in the Ukraine as regards economic and trade policy issues between the EU and the Ukraine</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Timeliness and relevance of trade and economic reporting including flash reports; added value of reports in terms of content and analysis; level of satisfaction in Headquarters with reporting <input type="checkbox"/> Regularity of meetings of EU Economic and Trade Counsellors <input type="checkbox"/> Established network of contacts (political, industry, academics, media and civil society) <input type="checkbox"/> Ease of access to high-level counterparts (Ministers) and Senior Officials in Ukraine <input type="checkbox"/> Frequency of meetings and contacts with representatives of the local authorities, Member States Embassies, key third country Embassies, non-state actors 	<ul style="list-style-type: none"> <input type="checkbox"/> Monitor the trade and economic situation of the Ukraine, including economic policy and reform developments in key areas, and inform Headquarters through timely reports <input type="checkbox"/> Assistance to official visits from Headquarters <input type="checkbox"/> Coordinate with Member State Embassies on trade and economic subjects <input type="checkbox"/> Undertake demarches on issues of EC competence in trade/economic subjects <input type="checkbox"/> Inform the authorities of the host country as well as local Member State representatives of the Commission positions on trade and economic matters <input type="checkbox"/> Expand and develop contacts with local authorities, Member States Embassies, third countries and key non-state political actors (industries, civil society; especially the European Business Association) <input type="checkbox"/> Follow up of developments relating to trade issues in the framework of Eastern Partnership 	<p>Trade and Econ.</p>
<p>2. Monitoring of the process of integration in the multilateral trading system and of domestic economic reforms, in line with EU interests and values (Ukraine only)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Timeliness and relevance of trade and economic reporting including flash reports; added value of reports in terms of content and analysis; level of satisfaction in Headquarters with reporting <input type="checkbox"/> Frequency of conferences, seminars, Round Tables or meetings aimed at communicating the EU position on WTO issues and Action Plan/its successor, or to gather information on the authorities' and stakeholders' views on those topics 	<ul style="list-style-type: none"> <input type="checkbox"/> Monitor and report on priority bilateral economic, trade and investment issues in sectors relevant to the bilateral relationship, in particular as regards the implementation of the Action Plan and of the new practical instruments (NPI) replacing Action Plan <input type="checkbox"/> Monitor and report on domestic developments regarding the implementation of WTO commitments following Ukraine's accession to the World Trade Organisation <input type="checkbox"/> Monitor and report on legislation and practices related to access by EU exporters to the market of the Ukraine, including the compliance with host country's obligations undertaken in bilateral, regional or multilateral trade agreements <input type="checkbox"/> Present the EU position to the 	<p>Trade and Econ.</p>

		authorities, industries as regards WTO related issues and the Action Plan and the new practical instruments	
3. Participation in the process of negotiation of a deep and comprehensive free-trade agreement	<input type="checkbox"/> Timeliness and relevance of trade and economic reporting on matters relevant for the negotiation process, including flash reports; added value of reports in terms of content and analysis; level of satisfaction in Headquarters with reporting Frequency of conferences, seminars, Round Tables or meetings aimed at communicating the EU position on the FTA+ negotiations, or to gather information on the authorities' and stakeholders' views on the topic <input type="checkbox"/> Frequency of preparatory or negotiating meetings attended or organised with our support	<input type="checkbox"/> Participation in preparatory meetings, coordination meetings, meetings with industry and other relevant stakeholders, in order to prepare the ground for negotiating sessions <input type="checkbox"/> Participation in bilateral negotiations where so required and within the limits of the mission budget <input type="checkbox"/> Support to the preparation of meetings/missions in the context of the negotiations <input type="checkbox"/> Monitor and report on priority economic, trade and investment issues in sectors relevant to the negotiations <input type="checkbox"/> Present the EU position to the authorities, industries as regards the negotiations	Trade and Econ.

Document: EAMR\Rapport 2008

Position: 117 - 153

Code: EQ5-trans costs\JC51\I-512

Activity "Trade and Economic Relations"

Objective 1: To contribute to the development of closer economic and trade relations between the EU and the host country

Outputs	Indicator(s)	Main actions in 2008	Lead Section
1. Official representation in the host country as regards economic and trade policy issues between the EU and the host country	<input type="checkbox"/> Timeliness and relevance of trade and economic reporting including flash reports; added value of reports in terms of content and analysis; level of satisfaction in Headquarters with reporting <input type="checkbox"/> Regularity of meetings of EU Economic and Trade Counsellors (Ukraine only) <input type="checkbox"/> Established network of contacts (political, industry, academics, media and civil society) <input type="checkbox"/> Ease of access to high-level counterparts (Ministers)	<input type="checkbox"/> Monitor the trade and economic situation of the host country, including policy developments in key areas, and inform Headquarters through timely reports <input type="checkbox"/> Assistance to official visits from Headquarters <input type="checkbox"/> Coordinate with Member State Embassies on trade and economic subjects <input type="checkbox"/> Undertake demarches on issues of EC competence in trade/economic subjects <input type="checkbox"/> Inform the authorities of the host country as well as local Member State representatives of the Commission positions on trade and economic matters	

	<p>and Senior Officials in host country</p> <ul style="list-style-type: none"> <input type="checkbox"/> Frequency of meetings and contacts with representatives of the local authorities, Member States Embassies, key third country Embassies, non-state actors 	<ul style="list-style-type: none"> <input type="checkbox"/> Expand and develop contacts with local authorities, Member States Embassies, third countries and key non-state political actors (industry, civil society; especially the European Business Association) 	
<p>2. Monitoring of the process of integration in the multilateral trading system and of domestic economic reforms, in line with EU interests and values (Ukraine only)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Timeliness and relevance of trade and economic reporting including flash reports; added value of reports in terms of content and analysis; level of satisfaction in Headquarters with reporting <input type="checkbox"/> Frequency of conferences, seminars or meetings aimed at communicating the EU position on WTO and Action Plan, or to gather information on the authorities' and stakeholders' views on those topics 	<ul style="list-style-type: none"> <input type="checkbox"/> Monitor and report on priority bilateral economic, trade and investment issues in sectors relevant to the bilateral relationship, in particular as regards the implementation of the Action Plan <input type="checkbox"/> Monitor and report on domestic developments regarding accession to the World Trade Organisation and, when accession is completed, implementation of WTO commitments <input type="checkbox"/> Monitor and report on legislation and practices related to access by EU exporters to the market of the host country, including the compliance with host country's obligations undertaken in bilateral, regional or multilateral trade agreements <input type="checkbox"/> Present the EU position to the authorities, industries as regards the WTO and the Action Plan 	<p>Trade and Econ. Trade and Econ.</p>
<p>3. Participation in the process of negotiation of a deep and comprehensive free-trade agreement (Ukraine only)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Timeliness and relevance of trade and economic reporting on matters relevant for the negotiation process, including flash reports; added value of reports in terms of content and analysis; level of satisfaction in Headquarters with reporting <input type="checkbox"/> Frequency of conferences, seminars or meetings aimed at communicating the EU position on the FTA+ negotiations, or to gather information on the 	<ul style="list-style-type: none"> <input type="checkbox"/> Participation in preparatory meetings, co-ordination meetings, meetings with industry and other relevant stakeholders, in order to prepare the ground for negotiating sessions <input type="checkbox"/> Participation in bilateral negotiations where so required and within the limits of the mission budget <input type="checkbox"/> Support to the preparation of meetings/missions in the context of the negotiations <input type="checkbox"/> Monitor and report on priority economic, trade and investment issues in sectors relevant to the negotiations 	<p>Trade and Econ.</p>

	<p>authorities' and stakeholders' views on the topic</p> <p><input type="checkbox"/> Frequency of preparatory or negotiating meetings attended or organised with our support</p>	<p><input type="checkbox"/> Present the EU position to the authorities, industries as regards the negotiations</p>	
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Document: EAMR\ukraine_2007

Position: 115 - 166

Code: EQ5-trans costs\JC51\I-512

Activity "Trade and Economic Relations"

Please indicate how your Delegation will contribute to the following objectives:

OBJECTIVES	Result indicators			Main actions/outputs in 2007	Lead Section
	INDICATOR	TARGET	Current situation		
<p>1. To contribute to the development of closer economic and trade relations between the EU and the host country</p>	<p><input type="checkbox"/> Timeliness and relevance of trade and economic reporting including flash reports; added value of reports in terms of content and analysis; level of satisfaction in Headquarters with reporting</p> <p><input type="checkbox"/> Regularity of meetings of EU Economic and Trade Counsellors (Ukraine only)</p> <p><input type="checkbox"/> Established network of contacts (political, industry, academics, media and civil society)</p> <p><input type="checkbox"/> Ease of access to high-level counterparts (Ministers) and Senior Officials in host country</p> <p><input type="checkbox"/> Frequency of meetings and contacts with representatives of the local authorities, Member States Embassies, key third country Embassies, non-state</p>	<p><input type="checkbox"/> Timely quality reports</p> <p><input type="checkbox"/> Monthly meetings with MS economic counsellors</p> <p><input type="checkbox"/> Maintain relevant established contacts; new contacts with local authorities and stakeholders</p> <p><input type="checkbox"/> Access to high-level counterparts as required</p> <p><input type="checkbox"/> Regular meetings with stakeholders, focusing on priorities in the bilateral agenda; participation in</p>	<p><input type="checkbox"/> Timely quality reports</p> <p><input type="checkbox"/> Monthly meetings with MS economic counsellors</p> <p><input type="checkbox"/> Need to update network of contacts, also with a view to covering additional sectors</p> <p><input type="checkbox"/> Access to high-level counterparts, as required</p> <p><input type="checkbox"/> Regular meetings with stakeholders, focusing on priorities in the bilateral agenda; participation in</p>	<p><input type="checkbox"/> Monitor the trade and economic situation of the host country, including policy developments in key areas, and inform Headquarters through timely reports</p> <p><input type="checkbox"/> Assistance to official visits from Headquarters</p> <p><input type="checkbox"/> Coordinate with Member State Embassies on trade and economic subjects</p> <p><input type="checkbox"/> Undertake demarches on issues of EC competence in trade/economic subjects</p> <p><input type="checkbox"/> Inform the authorities of</p>	<p>TRADE</p>

<p>2. To monitor and support the processes of integration in the multilateral trading system and of domestic economic reform, promoting EU interests and values (Ukraine only)</p>	<p>actors</p> <ul style="list-style-type: none"> <input type="checkbox"/> Timeliness and relevance of trade and economic reporting including flash reports; added value of reports in terms of content and analysis; level of satisfaction in Headquarters with reporting <input type="checkbox"/> Frequency of conferences, seminars or meetings aimed at communicating the EU position on WTO and Action Plan, or to gather information on the authorities' and stakeholders' views on those topics 	<p>receptions, conferences and other professional and/or social events</p> <ul style="list-style-type: none"> <input type="checkbox"/> Timely quality reports <input type="checkbox"/> Regular meetings with stakeholders, focusing on priorities in the bilateral agenda; participation in receptions, conferences and other professional and/or social events 	<p>receptions, conferences and other professional and/or social events</p> <ul style="list-style-type: none"> <input type="checkbox"/> Timely quality reports <input type="checkbox"/> Regular meetings with stakeholders, focusing on priorities in the bilateral agenda; participation in receptions, conferences and other professional and/or social events 	<p>the host country as well as local Member State representatives of the Commission positions on trade and economic matters</p> <ul style="list-style-type: none"> <input type="checkbox"/> Expand and develop contacts with local authorities, Member States Embassies, third countries and key non-state political actors (industry, civil society; especially the European Business Association) <input type="checkbox"/> Monitor and report on priority bilateral economic, trade and investment issues in sectors relevant to the bilateral relationship, in particular as regards the implementation of the Action Plan <input type="checkbox"/> Monitor and report on domestic developments regarding accession to the World Trade Organisation and, when accession is completed, implementation of WTO 	
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<p>3. To contribute to the negotiation of a deep and comprehensive free-trade agreement (Ukraine only)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Timeliness and relevance of trade and economic reporting on matters relevant for the negotiation process, including flash reports; added value of reports in terms of content and analysis; level of satisfaction in Headquarters with reporting <input type="checkbox"/> Frequency of conferences, seminars or meetings aimed at communicating the EU position on the FTA+ negotiations, or to gather information on the authorities' and stakeholders' views on the topic <input type="checkbox"/> Frequency of preparatory or negotiating meetings attended or organised with our support 	<ul style="list-style-type: none"> <input type="checkbox"/> Timely quality reports <input type="checkbox"/> Regular meetings with stakeholders, focusing on priorities in the bilateral agenda; participation in receptions, conferences and other professional and/or social events <input type="checkbox"/> <p>Participation/s support to meetings, as required</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Timely quality reports <input type="checkbox"/> Regular meetings with stakeholders, focusing on priorities in the bilateral agenda; participation in receptions, conferences and other professional and/or social events <input type="checkbox"/> <p>Participation/s support to meetings, as required</p>	<p>commitments</p> <ul style="list-style-type: none"> <input type="checkbox"/> Monitor and report on legislation and practices related to access by EU exporters to the market of the host country, including the compliance with host country's obligations undertaken in bilateral, regional or multilateral trade agreements <input type="checkbox"/> Present the EU position to the authorities, industries as regards the WTO and the Action Plan <input type="checkbox"/> Participation in preparatory meetings, co-ordination meetings, meetings with industry and other relevant stakeholders, in order to prepare the ground for negotiating sessions <input type="checkbox"/> Participation in bilateral negotiations where so required and within the limits of the mission budget <input type="checkbox"/> Support to the preparation of meetings/mis 	
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				<p>sions in the context of the negotiations</p> <p><input type="checkbox"/> Monitor and report on priority economic, trade and investment issues in sectors relevant to the negotiations</p> <p><input type="checkbox"/> Present the EU position to the authorities, industries as regards the negotiations</p>	
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2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

2.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

2.4.2.4 I 4.2.4 Changes of ‘customer’ satisfaction related to the output produced by trade-related public institutions

2.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

Summary for each indicator:

- According to the CSE (2010), negotiations on the Association Agreement and on the Deep and Comprehensive Free Trade Area have given a new impetus to the policy dialogue between the Commission and the Government of Ukraine and have contributed to developing relations between the EC DGs and their Ukrainian counterparts.

Full extractions

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 1113 - 2311

Code: EQ4-nnal policy\JC43

Conclusion 14 – Negotiations on the Association Agreement and on the Deep and Comprehensive Free Trade Area have given a new impetus to the policy dialogue between the Commission and the Government of Ukraine and have contributed to developing relations between the EC DGs and their Ukrainian counterparts

The PCA, which entered into force in 1999, established a permanent policy dialogue between the EU and Ukraine structures that range from the annual Summit meetings between the President of Ukraine and the EU Presidency along with the President of the Commission and the EU’s High Representative, to Sub-Committee meetings between

experts at sectoral level. While acknowledging the usefulness of these structures, all stakeholders stress that the adoption by the EU of the European Neighbourhood Policy and the start of negotiations on an Association Agreement and a Deep and Comprehensive Free Trade Agreement have given a new impetus to the policy dialogue between the two parties, and have contributed to developing direct cooperation relations between the experts of the EC Directorates and their counterparts in the Ukrainian Government.

- 2.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations**
- 2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations**
- 2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration**

2.5 EQ 5 - To what extent has the Commission's TRA to trade facilitation contributed to reducing trade-related transaction costs?

2.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

Summary for each indicator:

- According to the CSE (2010), significant results have been achieved by the EC support to reforms of the legal and regulatory framework governing economic activity and trade.
- According to the CSE (2010), the largest impacts were achieved by those EC cooperation activities aimed at stimulating economic growth and trade. Progress in the approximation of the legal framework governing economic activity to that of the EU and the development and implementation of an effective competition policy have had a positive contribution to the economic recovery enjoyed by Ukraine between 2000 and 2008; accession of Ukraine to WTO, progress in the harmonisation of standards and SPS regulations, and more effective border management supported the development of trade

Full extractions

Document: CSE\Ukraine_CSE2010_vol1_en
Position: 2179 - 2911
Code: EQ5-trans costs\JC51

Impacts of the EC cooperation

The largest impacts were achieved by those EC cooperation activities aimed at stimulating economic growth and trade. Progress in the approximation of the legal framework governing economic activity to that of the EU and the development and implementation of an effective competition policy have had a positive contribution to the economic recovery enjoyed by Ukraine between 2000 and 2008; accession of Ukraine to WTO, progress in the harmonisation of standards and SPS regulations, and more effective border management supported the development of trade; significant progress was achieved towards sustainable, secure and efficient supply of energy as well as enhanced nuclear safety.

Document: CSE\Ukraine_CSE2010_vol1_en
Position: 1018 - 1393
Code: EQ5-trans costs\JC51

Outcomes and impacts

4. Significant results have been achieved by the EC support to the delivery of social assistance, to reforms of the legal and regulatory framework governing economic activity and trade, to the development and modernisation of the energy sector, to improved nuclear safety, and to a more effective fight against illicit cross-border activities.

2.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced

2.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

Summary for each indicator:

- According to the CSE (2010), EC interventions contributed to significant progress in the approximation to that of the EU of the legal and regulatory framework governing economic activity, however without noticeable positive impact on the business climate.

Full extractions

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 238 - 962

Code: EQ5-trans costs\JC51\I-512

Under the heading “economic and social reforms and development”, the EU-Ukraine Action Plan lists three objectives aimed at creating favourable conditions for the development of the private sector:

- _ continued progress in establishment of a fully-functioning market economy, including price formation, control of State aid, and a legal environment that ensures fair competition between economic operators;
- _ further advances in gradual approximation of the basic legislative and regulatory framework to that of the EU, and ensure its effective implementation;
- _ improve the investment climate, including measures to ensure transparency, predictability and simplification of regulation and its application.

As regards the second objective – gradual approximation of basic legislative and regulatory framework to that of the EU – the main instrument of the Commission’s support has been the Ukraine-European Policy and Legal Advice Centre (UEPLAC), a structure first established in 1994 to underpin the understanding, implementation and ownership by the Ukrainian authorities of the whole process of approximation to EU principles and laws in all areas mentioned in the PCA. During the period under review two contracts allowed continuation of UEPLAC support for the approximation process. UEPLAC activities are demand-driven, its main partner on the Government side being the State Department for Legal Approximation. Within the sphere of internal market and economic and trade-related reforms, UEPLAC provided advice and expertise to the Ministry of Justice, the Ministry of Economy, the Ministry of Agrarian Policy, the Ministry of Finance and other public institutions on such areas as company law, free movement of goods, public procurement, taxation, and financial services. It produced a number of legal studies, notably in the field of Company Law, legislation on Limited Liability Companies, insolvency matters, taxation including environmental taxation, market surveillance, public procurement, State aid, and others. As far as the last two subjects are concerned, UEPLAC contributions complemented - through the provision of specific legal expertise - the assistance provided by the Commission to the Antimonopoly Committee.

The European Commission also provided financial support to the Blue Ribbon Analytical and Advisory Centre (BRAAC), a think-tank established by UNDP to monitor the reform process in various areas including the economy, and to provide advice to the Government. Positive developments in the reform of the legal environment governing economic activity were recorded. In a review of the structural reforms implemented in Ukraine since 2005, the IMF noted that tax preferences have been eliminated, and that over 9,000 business regulations have been reviewed and nearly 5,000 repealed or amended. The adoption in September 2008 of a Law on Joint-Stock Companies, although it does not fully correspond to EU Directives on Company Law or to best practice in corporate governance, is considered by all stakeholders to have been an important step forward. But entrepreneurs’ associations highlight continuing gaps. They concern in particular the status of Limited Liability Companies, still governed by the “Law on Business Associations” adopted in 1991, which does not provide participants in limited-liability company with effective tools to protect their rights and to ensure a balance of interests. Also missing is a Land Law, which would establish a single registry of real estate property rights and guarantee proprietary rights.

Very little progress can be reported as regards the third objective of the EU-Ukraine Action Plan: improving the investment climate by ensuring transparency, predictability and simplification of regulation and its application. Entrepreneur associations and analysts

underline that a heavy administrative burden still weighs down on enterprises. For instance, the draft law of September 2008 on required documentation for business activity lists more than 200 different documents that may be required from entrepreneurs. Tax inspections and the intricate tax system are serious barriers to business development. Difficulties for entrepreneurs also arise from contradictions between new laws and regulations and earlier items of legislation on the same subject which were not amended accordingly. The Commercial Code is frequently mentioned in this respect. While the Civil Code is generally market-oriented, the Commercial Code aims to preserve a privileged position for the public sector and allows governmental interference in private commercial relations. The lack of consistency in the legal and regulatory framework, the lack of implementation regulations for the new laws or non-enforcement of those regulations, may result in different State bodies adopting different approaches to the same problem.

The Judgment Criterion is partially validated. EC interventions contributed to significant progress in the approximation to that of the EU of the legal and regulatory framework governing economic activity, however without noticeable positive impact on the business climate.

Document: D-016-777\02 - Support to PCA Implementation PF+LF

Position: 43 - 64

Code: EQ8-mark & invt\JC82

2.4 Activities

- Provision of consultancy on daily basis to the Secretariat of Ukrainian Part for the Ukraine-EU Cooperation Committee (**the Secretariat**) in setting up the activities directed to the implementation of the PCA and future Action Plan EU-Ukraine;
- Support to the Secretariat Information Unit ;
- Assistance in training Ukrainian officials on PCA and future EU-Ukraine Action Plan implementation and to contribute to increase awareness of PCA and new EU neighborhood policy in the Ukrainian public Administration, covering priority spheres:
 - Trade policy;
 - Access to markets and market conditions (free trade zone, single market, consumer protection, phytosanitary, etc.);
 - Support of investments;
 - State aids;
 - Regional policy;
- Assistance in training the coordinators-advisers for general issues related to PCA implementation for central executive institutions and regional state administrations;
- Set up a library on Ukraine-EU cooperation issues within the PCA framework;
- Creation of Secretariat web-page;
- Provision of equipment for the Secretariat;
- Study of the candidate and accession countries' experience in the establishment of efficient legal, administrative and economical conditions for European integration including:
 - Structure, main tasks and functions of relevant public institutions, interdepartmental coordination, cooperation between the central and local executive power authorities;
 - Main tasks and functions of relevant auxiliary institutions, interaction of public and private institutions;
 - Interaction and negotiation with the EU institutions;
 - Training programmes and projects for the experts of European integration introduction;
 - Informing the society on consequences of European integration and involvement of citizens in the choices made;
- Development of the proposals on the improvement of the institutional, legal, administrative and economical provisions of implementation of Ukrainian European policy;
- Study of the candidate and accession countries' countries experience of the civil service institute

approximation to the EU standards;

- Development of the draft Programme of approximation of the institute of the Civil Services in Ukraine to the standards of the EU.

2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

2.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

Summary for each indicator:

- According to the CSE (2010), EC contributions to the rehabilitation and equipment of border crossings have somewhat facilitated the movement of goods and persons between Ukraine and the EU, and some positive steps have been made towards harmonising Ukrainian customs procedures with international standards, but international surveys show that the effectiveness and transparency of customs operations remain low.
- Rehabilitation and equipment of border crossings has somewhat facilitated the movement of goods, but the effectiveness of customs operations remains poor.

Full extractions

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 1089 - 1996

Code: EQ5-trans costs\JC52

EC contributions to the rehabilitation and equipment of border crossings have somewhat facilitated the movement of goods and persons between Ukraine and the EU, and some positive steps have been made towards harmonising Ukrainian customs procedures with international standards, but international surveys show that the effectiveness and transparency of customs operations remain low.

The EUBAM project is a remarkable example of donor cooperation involving the European Commission, 22 EU Member States and UNDP. This project succeeded in developing a cooperative approach between Ukraine and Moldova for establishing at the sensitive frontier between the two countries an effective and efficient border management system relying on close cooperation between the customs and border guard services of the two countries and on the implementation to controls of risk analysis approach.

During the period 2002-2009 covered by the evaluation the Commission implemented in the area of border management some 40 projects involving total commitments above €100 million. These projects developed capacity-building activities targeting the State Customs Service of Ukraine (SCSU) and the State Border Guard Service (SBGS), provided equipment to these organisations, and financed the rehabilitation or construction of border-crossing facilities and of accommodation centres for irregular migrants and refugees.

Policy dialogue between the EU and Ukraine on these issues takes place within the framework of the Sub-Committee on Customs and Cross-Border Cooperation chaired on the Ukrainian side by the Chairman of the Customs Service of Ukraine and on the EU side by the Director of DG Taxud International Affairs. Both parties exchange information on developments in the EU and Ukrainian customs policies and discuss implementation of the customs section of the EU-Ukraine Action Plan. A Joint Committee monitors implementation of the EU-Ukraine Readmission Agreement.

A sectoral budget support programme designed to support the GoU's endeavours to improve border management is in preparation.

4.8.1 The Commission's interventions facilitated the legal movement of goods and persons across borders (JC 8.1)

The EC cooperation mobilised substantial funds for the construction and rehabilitation of border infrastructure and for the equipment of SCSU and SBGS with modern technology.

The refurbished border crossings at the borders between Ukraine and Poland (Jagodyn, Rava-Ruska) and between Ukraine and Hungary (Uzhgorod, Chop) are state-of-the-art, as also is the new equipment made available to customs officers and border guards.

Although a Project Supervision Unit (PSU) was put in place to carry out the daily management and supervision of the project's implementation, these infrastructure projects incurred significant delays and the costs were frequently underestimated. But in the end all construction projects were completed to a high standard. The improved infrastructure has resulted in less waiting time at the borders and more effective control, especially through the use of x-ray scanners.

But Ukraine underestimated the cost of maintaining infrastructure and of operating hightechnology equipment; insufficient resources are available for that purpose. This means

that the sustainability of EC support in this field is currently not secure. Indeed part of the equipment had to be taken out of use for lack of financial means for their operation.

Another related problem is that the mobile x-ray scanners that were supplied by the EC cannot be moved to other border crossings which lack the required infrastructure for their use. Moving these scanners is also costly and, in view of the limited resources, SCSU and SBGS decided against this, despite the fact that such a system would greatly increase effective controls along the entire border.

Besides the rehabilitation of border crossings and the provision of equipment, the EC contributed to developing the capacity of both SBGS and SCSU.

The one-year project "Reform and Modernisation of the Ukrainian Customs Administration", implemented in 2004 with funds of the Regional Programme, aimed at enhancing the effectiveness and efficiency of the Customs Service through improvements in administrative instructions, implementation of more effective customs control and clearance procedures, and introduction of risk assessment and post-clearance audit. It included an important training component as well as provision of IT equipment. This project suffered from including too many activities in a very short period of time: 50 activities to be implemented in 10 months. If both SCSU management and the project team praised the quality of their cooperation, and if SCSU expressed full satisfaction with the benefits derived from the project, SCSU cooperation with the EC did not develop as well as it did with SBGS and the management of customs operations still suffers serious weaknesses.

Some positive developments can nevertheless be noted in the area of customs procedures. In 2006 Ukraine became a member of the revised Kyoto Convention on the Simplification and Harmonisation of Customs Procedures. The regulation for the adoption of the Single Administrative Document entered into force in January 2008. The law amending the Customs Code allowing for ex officio action by the customs authority in respect of pirated and counterfeit goods was adopted in November 2006 and an implementation regulation was adopted. SCSU prepared a draft of the new Customs Code which was submitted to the Parliament in July 2008, but it has not yet been adopted. Compared to the current Customs Code, the new Code is an improvement in terms of terminology; the system of customs regimes and the rules of their use; the definition of the rules on issuance of permit documents by customs authorities; the establishment of the main principles of the simplified procedure for customs control and customs declaration of goods transported through the Ukrainian customs border; and so on. It is however not fully compliant with EU standards, in particular as regards the valuation procedure for imported goods, which is

a sensitive issue for European companies exporting to Ukraine, and a source of corruption. Some modest steps have been made towards integrated border management. Stimulated by the EUBAM project, SCSU and SBGS now undertake a common quarterly security assessment. But to date permanent coordination mechanisms have not been developed and there exists no system for maintenance and exchange of data between services.

The 2009 Global Enabling Trade Report published by the World Economic Forum reveals persistent weaknesses in Ukraine's management of custom operations. Effectiveness and efficiency of clearance are given a 2.2 mark on a scale ranging from 1 (very low) to 5 (very high); with a 3.5 mark on a scale ranging from 1 (common) to 7 (never occur) irregular payments in exports and imports are assessed as being; the corruption perception index with a 2.5 mark on a scale ranging from 1 (highly corrupt) to 10 (clean) denotes a relatively high level of corruption among customs officers. Altogether the report ranks Ukraine 95th out of 121 countries as regards the effectiveness of its border administration.

International road transporters complain of very long waiting times at the Ukrainian borders. They point out that nine different control services are involved in checking vehicles and cargo, that Ukrainian customs officers submit vehicles and cargo to full customs and other controls (or nearly so), and that the installed throughput capacities are underused.

The Judgment Criteria is partially validated. Rehabilitation and equipment of border crossings has somewhat facilitated the movement of goods, but the effectiveness of customs operations remains poor.

- 2.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)**
- 2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)**
- 2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)**

2.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

2.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

2.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

2.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

2.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

2.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

Summary for each indicator:

- Most of the projects under review include activities related to harmonisation of standards and the EAMRs detail improvements made in terms of standardisation.
- According to the CSE (2010), significant results have been achieved by the EC support to the delivery of social assistance, to reforms of the legal and regulatory framework governing economic activity and trade.
- According to the CSE (2010), the Commission interventions made an important contribution to Ukraine's accession to WTO and actively support the harmonisation of standards, norms and SPS regulations with international standards.

Full extractions

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 1950 - 3556

Code: EQ8-mark & invt\JC82

4.5 Trade and Foreign Direct Investments

EQ5: To what extent has the Commission co-operation contributed to strengthening economic links between Ukraine and the EU through the development of trade and of direct investments?

EQ 5 on Trade and Foreign Direct Investments – Answer Summary Box

Trade and Foreign Direct Investment are areas in which there is evidence of a strong complementarity between, on the one hand, the policy dialogue and direct relations between the Commission Services and their Ukrainian counterparts and, on the other hand, the support given by the Commission cooperation to the reform of the legal and regulatory framework governing trade and FDI.

The Commission effectively assisted Ukraine in preparing for its accession to WTO, which took place in May 2008. But WTO accession commits Ukraine to harmonise, by 30 December 2011, all its standards, technical regulations and SPS regulations with international standards. Between 2003 and 2006 the European Commission provided support for this harmonisation

process through a series of technical assistance projects. This support was continued from 2007 through twinning projects at the State Committee for Technical Regulations and Consumer Protection (DSSU) and at the National Accreditation Agency (NAAU). In addition to enhancing the capacities of the partner institutions, these projects contributed to the recognition of NAAU by the European Cooperation for Accreditation and to preparation of legal framework reforms on such issues as metrology, product liability, general safety of products, and market surveillance. Reform of the SPS regulations is currently addressed within the framework of a SWAp project under implementation at the Ministry of Agrarian Policy. Finally, in December 2009 the European Commission and the Government signed the Financial Agreement on a four-year budget support programme intended to support reform of the Ukrainian quality assurance system.

The EU has become Ukraine's main trading partner. Ukrainian exports suffer from a high concentration on a limited number of products that are very sensitive to economic fluctuations. Delayed VAT refunds are a disincentive for SMEs to engage in exports and hence are an obstacle to diversification of Ukrainian exports. A Commission project that precisely aimed at developing the export capacity of Ukrainian SMEs succeeded at establishing trade and investment relations between Ukrainian and European SMEs, but did not deliver its full impact because the newly appointed management of the Ukrainian partner did not take ownership of the project.

In spite of a business climate which remains quite unsatisfactory, foreign direct investment in Ukraine has rapidly increased since 2005. But FDI is an area which the Commission did not directly address until very recently.

The Commission's cooperation supported the adoption of a legal and regulatory framework conducive to the development of trade and of foreign investments (JC 5.1)

A World Bank review of Ukrainian trade policy released in 2004 concluded that "overall, Ukraine's statutory trade regime at the moment is quite liberal compared with both the EU and transition economies in Central and Eastern Europe before they joined the EU" and noted a steady trend toward trade liberalisation in terms of reductions in average tariff levels. It further noted that, compared to OECD countries, Ukraine seems to be quite liberal in terms of non-tariff protection. But it also noted that "available business surveys point to serious implementation problems of non-tariff barriers (e.g., in the area of certification) that raise effective trade barriers and sours the business climate."

As far as import duties are concerned, Ukraine has still not approved the Customs Tariff Law which would, de-jure, bring import duties for goods in line with Ukraine's WTO accession commitments. However, failure to pass the above-mentioned law does not mean that Ukraine fails to meet its WTO obligations in this respect. Ukrainian customs services operate pursuant to the Law of Ukraine on the Ratification of the Protocol of Accession of Ukraine to the World Trade Organisation (No. 250-VI of 10.04.08), consequently applying WTO-compatible tariffs. Ukraine's IPR-related legal base is almost fully in compliance with the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and other international norms, even if its enforcement may still leave something to be desired. But the issue of Technical Trade Barriers (TBT) still remains and will be more difficult to solve.

The Ukrainian technical regulation system still relies to a large extent on the inter-State standard of the former USSR (GOTs). As of 1 March 2006 Ukraine had 16,765 inter-State standards in effect, all developed prior to 1992 and many in the 1980s. This system deeply differs from what is understood as standardisation, certification or conformity assessment in Europe and OECD countries. Standards are compulsory for most goods and many services, whereas in most of the world compliance with standards is voluntary. Mandatory

certification procedures cover over 400 types of goods and services and affect a significant share of Ukrainian enterprises, including low-risk businesses and sectors which are already regulated in other ways. One single body, the State Committee for Technical Regulations and Consumer Protection (DSSU), is responsible for both development and approval of standards, for issuing certificates, for conducting inspections of producers, and for ensuring market surveillance and protection of consumer rights; that is to say a combination of responsibilities and powers which can lead to significant conflicts of interest. So far, since 2001 accreditation is the sole quality infrastructure function entrusted to a separate agency.

This situation is detrimental to exports by both Ukrainian and European companies, whose exported products have to comply with two very different systems of standards thus incurring heavy compliance costs. In addition, since any product or process innovation requires registering of a new standard or technical specification, this system slows down the adoption by Ukrainian enterprises of new technologies and hence reduces their competitiveness.

As a part of its commitments to becoming a WTO member Ukraine has to harmonise all of its standards with international standards and technical regulations by 30 December 2011. In fact harmonisation of its standards with European standards began in the early 2000s but at a very slow pace. In 2006 the Government adopted a Concept Paper complemented by Green and White papers on the reform of the quality assurance system and approved a State Programme on Standardisation for 2006-2010, which resulted in an acceleration of the harmonisation process. By 1 July 2009 5,717 national standards harmonised with European standards were being applied in Ukraine. In May 2010 the Government approved an Action Plan detailing the harmonisation measures to be implemented in 2010 and 2011.

Beyond the revision of the standards, harmonisation with the EU of the Ukrainian standardisation, metrology and certification systems entails a restructuring of its institutional set-up with the creation of independently managed and financed agencies in charge of the various functions involved. It also entails an upgrading of the facilities and equipment of the Ukrainian testing and metrological laboratories. Measures also have to be taken by Ukraine in the field of sanitary and phytosanitary control with a view of moving from a system of State control to a system of State supervision ensuring traceability throughout the food chain and a switching of the focus from food quality to food safety. These trade-related issues are an area in which there is evidence of strong complementarity between, on the one hand, the policy dialogue and direct relations between the Commission Services and their Ukrainian counterparts and, on the other hand, the assistance provided under the Commission's cooperation.

The policy dialogue between the Commission and Ukrainian authorities on trade and investment-related issues is shaped by the annual meetings of the Sub-Committee on Trade and Investment, headed on the Commission side by a senior official of DG Trade. The Sub-Committee surveys the development of trade between Ukraine and the EU.

Participants exchange information on and debate the implementation of the PCA and the EU-Ukraine Action Plan in relation to trade and investment (restrictions on trade, traderelated taxation issues, technical barriers to trade, sanitary and phytosanitary issues, protection of intellectual property rights, public procurement in relation to trade, and so on), and on the investment climate in Ukraine. They review progress in implementation of the cooperation projects relating to trade and foreign direct investment. Bilateral meetings specifically devoted to Intellectual Property Rights (IPR) take place regularly between the Commission and the Ukrainian authorities

Besides Sub-Committee meetings, more permanent relations exist between experts from the Commission Services and of the Ukrainian administration. For instance, successive

versions of the Tax Code have been sent to the Commission for comments by DG Taxud experts. On sanitary and phytosanitary issues, Ukraine received the support of several missions from the EU's Food and Veterinary Office. Support in the area of consumer protection is provided to Ukraine by DG Health and Consumers.

Throughout the period under review the European Commission implemented technical assistance projects aimed at supporting the reform of the Ukrainian institutional, legal and regulatory framework in trade-related issues and at strengthening the capacity of the institutions involved through capacity-building activities and provision of equipment. Three relatively large projects were implemented between 2003 and 2006. They were concerned respectively with standards, technical regulations and conformity assessment; protection of intellectual property rights; and agricultural standards, certification and control mechanisms. They were intended to help Ukraine meet its obligations under the PCA and the WTO. As mentioned above Ukraine's negotiations on joining WTO, which started in 1994, were successfully completed in 2008. There is no doubt that the Commission's assistance has made a positive contribution to this achievement. The EC projects contributed to reforming the legal and regulatory framework relating to standardisation and certification. They transferred know-how and practical skills to the Ukrainian beneficiaries, notably DSSU, the National Accreditation Agency and the Veterinary Services, and contributed to establishing links between these institutions and international organisations. They left methodological materials and recommendations for follow-up. The monitoring reports produced at the project completion stage nevertheless underlined that there remained wide scope for work in the project-related areas, and a great need for additional external assistance.

In December 2005 Ukraine and the EU agreed on an Action Plan on Conformity Assessment and Acceptance of Industrial Products (ACAA), which provides a framework for further cooperation in the field of standardisation, metrology and compliance assessment. Two two-year twinning projects contributed to the implementation of this Action Plan. The first, implemented from September 2007 to December 2009, linked DSSU with the French and German agencies in charge of standardisation and metrology.

The second, implemented from January 2008 to July 2010, linked the National Accreditation Agency of Ukraine (NAAU) with the Dutch agencies in charge of standardisation, metrology and accreditation and the Swedish agency for accreditation and conformity assessment. These projects contributed to further development of the ACAA Action Plan and to preparation of legal framework reforms on such issues as product liability, general product safety and market surveillance. NAAU obtained recognition of the European Cooperation for Accreditation in the area of personnel certification. Numerous training sessions were organised for the staff of the beneficiary agencies and other stakeholders. The high level of expertise of the European partners in these projects, and the quality of their inputs, are unanimously acknowledged. But the management of DSSU, which is reluctant to accept the planned split of the agency into specialised bodies, did not take full ownership of the project.

SPS measures are addressed by the project "Implementation of Ukraine's commitments under WTO and ENP frameworks in the rural sector". This three-year project, launched in October 2008, is an application of the SWAp approach to agricultural and rural development. One of its four components provides assistance for the harmonisation of Ukrainian food safety legislation with EU standards and supports capacity development in this area. This project suffered somewhat from being launched at a time when the economic crisis was severely constraining public budgets.

Finally, in December 2009 the European Commission and the Government of Ukraine signed the Financial Agreement on a budget support programme "Promoting mutual trade

by removing technical barriers to trade between Ukraine and the European Union". This programme, which will run until 2013, has a total budget of €45 million of which €39 million is for the budget support component and €6 million for complementary support including technical assistance. In 2010 the budget support component will consist of a fixed tranche of €12 million; from 2011 onwards disbursements to a maximum of €27 million will be linked to performance indicators reflecting progress in implementation of the reform of the standardisation, metrology and conformity assessment system. The Commission's partners in the implementation of this programme are the Department for Regulatory Policy of the Ministry of Economy and DSSU.

It is worth noting that development on the one hand of the Ukrainian legislation on technical regulation, standardisation, conformity assessment, market surveillance, metrology and accreditation in line with the EU acquis, and on the other hand of a comprehensive strategy for reform of the SPS, food and feed, animal health and welfare policy, are both listed among the priorities of the Association Agenda for the year 2010. Other issues that are important for the development of fair trade relations are public procurement and State aid. As mentioned in the previous chapter, these two issues are being addressed by the project currently being implemented by the Antimonopoly Committee in cooperation with the Ministry of Finance. Little progress has yet been achieved as regards State aid, but a new law on public procurement, which appears to comply with international standards, was adopted in June 2010.

Beyond the reform of the legal and regulatory framework related to trade, enforcement of the existing legislation may also be an issue. In particular, arrears in the payment of VAT refunds to exporters are a recurrent problem. This was further aggravated recently when the economic crisis started to impact negatively on revenue inflows into the State Treasury.

By the end of 2008 and during 2009 refunds to exporters had come to a virtual standstill. The Government announced that it would issue bonds in lieu of cash refunds. Foreign enterprises complain that they are discriminated against vis-à-vis Ukrainian competitors which have better political connections. This issue is obviously a matter for policy dialogue between the Commission and the Government.

The Judgment Criterion is validated. The Commission interventions made an important contribution to Ukraine's accession to WTO and actively support the harmonisation of standards, norms and SPS regulations with international standards

(...)

- Strengthening of financial services sector: this follows the same logic as the previous project. The field of financial services is not strongly developed in Ukraine. Previous projects have been dealing with some parts of the system. But the objective of EU economic integration implies a much more comprehensive approach. The project aims at assessing the need for a financial services market in Ukraine, with the requirement to go towards compatibility with EU rules and processes, and to help Ukraine to design its strategy and timing. Part of the project will be devoted to support specific SME lending instruments through the EBRD programme, as a follow up of the Bangkok facility and as a follow-up to assistance given under previous years' action programmes.

(...)

5.2 Outcomes and impacts of the strategy implementation

Conclusion 4 – Significant results have been achieved by the EC support to the delivery of social assistance, to reforms of the legal and regulatory framework

governing economic activity and trade, to the development and modernisation of the energy sector, to improved nuclear safety, and to a more effective fight against illicit cross-border activities

Based on EQ3, EQ4, EQ5, EQ7 and EQ8

Piloting by the EC of a model of integrated social services for exposed families and children contributed to improved coherence and efficiency in a system of social assistance which lacked coherence and was poorly targeted. The inclusion in the project of a training-of-trainers programme and the establishment of a training centre supported dissemination of the model.

The strong economic growth enjoyed by Ukraine from 2001 to 2008 was to a large extent made possible by improvements in the legal and regulatory framework governing economic activity, to which the Commission's cooperation actively contributed. The EC cooperation was also strongly supportive of the reforms which led to Ukraine's accession to the WTO in 2008 and it continues to assist Ukraine in the fulfilment of its commitments as a WTO member. However the Ukrainian economy remains fragile, as demonstrated by the severity of the recession it suffered in 2009, and the uneven implementation of the legal framework results in a poor business environment.

Document: D-019-594\TAP

Position: 14 - 21

Code: EQ6-stand\JC61\I-615

1. 1 Objectives

General objectives:

The general objective of the sector policy support programme (SPSP) is to contribute to economic reform and the gradual integration of Ukraine's economy into the European Union's Internal Market.

Specific objectives:

The specific objective of the sector policy support programme is to implement policy measures to remove technical barriers to trade between the EU and Ukraine, including the modernisation of the institutional framework for quality assurance.

This goal has been already pursued in Ukraine, though unevenly, since 1999. In its efforts to accede to the World Trade Organisation (WTO), Ukraine passed more than 20 laws in 2006 to bring its trading regime into consistency with WTO standards, including new laws on standardisation, on metrology, on conformity assessment, on accreditation of conformity assessment bodies, and on consumer protection. In the area of standards and technical regulations, Ukraine has committed itself to ensure full compliance of its legislation with the WTO TBT Agreement and to abide by the provisions of the Code of Good Practice for the Preparation, Adoption and Application of Standards from the date of accession without any transition periods. Also, according to Ukraine's commitments, all national standards will be voluntary, except those referred to in technical regulations intended to protect national security interests, prevent deceptive practices, protect the life and health of people, animals or plants, as well as protect the environment. Ukraine will give priority consideration to international standards, guidelines and recommendations, as a basis for Ukraine's own standards, technical regulations and associated conformity assessment procedures. Ukraine also committed itself to reduce the number of categories of products subject to mandatory certification, with a view to the broadest possible acceptance of manufacturer's supplier's declaration of conformity, without requiring registration with or approval from Ukrainian authorities prior to the end of year 2011. Ukraine is to notify the revised list of products subject to mandatory certification to the WTO by 31 January 2012. Ukraine is also obliged to ensure that, from the date of accession, its conformity assessment procedures reflect options for achieving confidence in the technical competence of bodies located in the territory of other WTO Members to perform conformity assessment and have their results accepted by Ukrainian authorities.

Ukraine-EC cooperation in the area of trade policy and in particular the elimination of technical barriers to trade (TBT) is based on the EU-Ukraine Action Plan of 21 February 2005 and the joint Action Plan on Conformity Assessment and Acceptance of industrial products (ACAA) of 19 December 2005. This framework establishes an institutionalised dialogue between the Government and the Commission on TBT issues, and requires, beyond legal approximation in the area of technical regulation, the alignment of the national quality infrastructure, comprising standardisation, accreditation, metrology, conformity assessment and market surveillance, with the EU practices, by 2011. To provide direction to these activities, the Government adopted on 11 May 2006 a Concept paper (broad strategy), soon thereafter complemented with Green and White paper on the reform of the national quality

assurance system developed in co-operation with civil society representatives, within the framework of “policy formulation groups”. In implementation of the reforms, Ukraine started rather well on legislative side, however there is a lack of consistency between provisions found in the different legal acts and their implementation.

As far as the institutional structures are concerned, the main problems to be resolved include the excessive concentration of, sometimes, conflicting competences under the auspices of one body, the State Committee for Technical Regulation and Consumer Policy, which e.g. at the same time exercises functions of standardisation, development of technical regulations, obligatory product certification, market surveillance, metrology etc, without a clear separation of the decision-making process related to each of these functions.

Document: D-019-594\TAP

Position: 22 - 40

Code: EQ6-stand\JC61\I-615

.2 Expected results and main activities

Expected results

The national sector strategy contemplates the following results, which will be supported by the programme:

- Approximation of the legislative framework in the sphere of technical regulation (to EU and WTO TBT requirements), including: the transition from mandatory certification to conformity assessment and the separation of the conformity assessment and market surveillance functions; introduction of product liability; amending the consumer protection legislation to abolish provisions creating possible barriers to trade; adoption of technical regulations harmonised with the EU New Approach Directives; review and replacement of old GOST standards and adoption of ISO and European Standards.
- Establishment of a market surveillance system.
- Refurbishment and upgrading of the material infrastructure of testing laboratories.
- Improved access by national and foreign interested parties to information on standardisation, metrology and conformity assessment, including the establishment of an electronic data base of standards.
- Reform and strengthening of the institutional infrastructure for quality assurance, including institutions for standardisation, market surveillance, metrology, conformity assessment and accreditation, with a view to resolve the existing conflicts of interests and to enable it to perform and maintain over time the above-listed changes.

Activities

Main activities to implement the SPSP will consist in setting up and running appropriate mechanisms to attain the above-listed objectives and more specifically the agreed disbursement targets, developed on the basis of the main orientations included in key strategy documents prepared by the Ukrainian authorities. These may include, albeit will not be limited to:

- Development and implementation of plans for organisational changes in the involved institutions, and for their modernisation in terms of equipment and methodologies;
- Institution and capacity building activities;
- Development of and lobbying for adoption of new legislation;
- Setting up institutions and mechanisms for implementation of the new legislation;
- Adoption of international and European standards replacing old USSR standards;
- Development of information systems / databases;
- Participation in the activities of the committees of the international organisations on standardisation and accreditation;
- Establishment and running of a mechanism to monitor the achievement of the agreed disbursement benchmarks (See Appendix 3).

These activities may be assisted by the complementary support component of the programme.

Document: D-017-093\TAP

Position: 2701 - 3257

Code: EQ6-stand\JC61\I-615

Integration into the international trading regime will be supported through the two actions dealing with progressive integration of EU norms and standards and of rules and principles for financial services. It has to be underlined that these projects do not focus only on approximation with the EU internal market, but on supporting Ukraine to develop its

certification and financial services programmes in a way which takes into account all trade partners, whilst ensuring long term compatibility with EU regulatory principles and structures.

Document: D-017-093\TAP

Position: 1848 - 2712

Code: EQ6-stand\JC61\I-615

2. Support to the private sector and assistance to economic development

- Norms and standards: following the endorsement of the Action Plan, Ukraine needs now to prepare itself for the challenge of integration into the EU market. Meanwhile, Ukraine will continue developing trade relations with its other neighbours. Taking into account the scarce resources of the country and the magnitude of the challenge, the project will help Ukraine to define priority sectors or branches in which to approximate to and implement the EU Internal Market rules and processes (notably certification mechanisms) and to help to design a coherent way to achieve this. Specific attention will be given to implementation and control issues, as the confidence of trade partners in the Ukrainian systems will be a major condition for success of economic integration

Document: EAMR\EAMR 2009juin

Position: 259 - 260

Code: EQ6-stand\JC61\I-615

Standardisation

In the area of quality assurance and technical regulations, some progress, albeit controversial, has been achieved by the Ukrainian Government on an action plan to harmonise Ukraine's quality assurance infrastructure and technical regulations with EU Norms. In 2006 and 2007, a strategy concept, endorsed by the Government, was complemented by a White Paper on standardisation reform. In 2008, with the change of the top management in the State Committee for Technical Regulation and Consumer Policy (DSSU), the pace of reforms has slowed down. While the Cabinet of Ministers approved about 20 Technical Regulations, approximated to the EU New Approach Directives, in 2008, there has been absolutely no progress in reforming institutions. In the first half of 2009 negotiations on policy targets to be supported by the AAP 2008 budget support operation on the removal of technical barriers to trade between EU and Ukraine have been completed, and a set of benchmarks has been agreed. Implementation of technical assistance and twinning projects continues. The **Twinning project "Strengthening Standardisation, Market surveillance, Metrology and Legal Metrology, Conformity Assessment and consumer Policy in Ukraine"** has developed recommendations/action plans, which comprised such institutional changes as the establishment of an independent National Standardisation Body and separation of market surveillance and consumer policy from other quality infrastructure functions. DSSU confirmed acceptance of these recommendations by a letter to the EC Delegation. The actual implementation remains to be seen. In the first half 2009, a €2.3 million contract for supply of equipment to Ukrainian metrology institutions was signed. Further supply contract, of € 0.95 million, is at the signature stage.

Document: EAMR\EAMR 2010dec

Position: 106 - 109

Code: EQ6-stand\JC61\I-615

Standardisation

In 2010, the areas of technical regulation, standardisation and quality infrastructure have become the focus of attention in the programme of economic reforms for 2010-2014. On the basis of this programme, the Cabinet of Ministers adopted the Decree No. 1070-r of 19 May 2010 "On Approving the Plan for Priority Measures Regarding the Reform of the System of Technical Regulation". The above-mentioned documents address key problematic areas of the Ukrainian technical regulation system, explicitly using as a benchmark the EU practices. The main directions of reforms, summarised in the table below are in line with the requirements of the relevant EU-UA documents and plans, with the recommendations of the past and ongoing EU-funded assistance, and with the obligations summarised in the matrix of performance indicators annexed to the Financing Agreement for the "Promoting mutual trade by removing technical barriers to trade between Ukraine and the European Union" programme. There is a visible evolution in the way the present programmes address the problems that have to be resolved for an effective implementation of reforms, as compared to similar previous attempts, which consisted

mostly of general and vague declaratory statements without any clear operative approach. The present approach addresses concrete problematic issues aiming at the elimination of most profound disparities vis-à-vis the EU system although a comprehensive road map for planned actions including time schedules is still missing. This is a positive evolution, achieved to a great extent with EU influence, through the recent Twinning and technical assistance projects. This gives a sign that the advice offered is taken on board by the Presidential Administration, the Cabinet of Ministers of Ukraine and the Ministry of Economy.

However, the actual implementation of the reforms remains to be seen. On the positive side, on 2 December 2010, the Parliament of Ukraine adopted the Laws “On State Market Surveillance and Control of Products” and “On General Non-Food Products Safety”. Both Laws were submitted to the Parliament by the President's Administration and were prepared with the direct participation and final agreement and consent of the EU-funded project "Technical Assistance to Ukrainian Quality Infrastructure". Other relevant legislative initiatives are in progress, also prepared with substantial contribution or even under the leadership of the EU-funded assistance. However, development of technical legislation has considerably slowed down in 2010, allegedly due to the lack of funding. Furthermore, there so far have been no institutional reforms. The main problems to be resolved include the at times excessive concentration of conflicting competences under the auspices of one single body, the State Committee for Technical Regulation and Consumer Policy (DSSU). Following the administrative reform announced on 10 December 2010, DSSU is to be reorganised into the State Service on Technical Regulation. However, as the functions of the new institution have not been defined yet, it is not clear whether the reform will indeed address the long-standing institutional problems in the Ukrainian system of technical regulation.

In 2010, co-operation in the areas of technical regulation, standardisation and quality infrastructure has been focused on the following: 1) Monitoring the policy targets agreed with the Ukrainian side for the AAP 2008 budget support operation on the removal of technical barriers to trade between EU and Ukraine. Despite the progress in some of the indicators, the overall achievements in 2010 have been much less than planned. The tender has been launched for the complementary measures component of the programme. 2) Assistance in preparation of the drafts of the lacking key framework legislation, as described above. 3) Assistance to NAAU is continuing. Twinning project *Strengthening the National Accreditation Agency of Ukraine* (NAAU) has been completed and has contributed substantially to raising the competence of NAAU. The NAAU has been recognised by the European Co-operation for Accreditation (EA) in the area of certification of personnel. Besides, its authority and financial situation have strengthened. The new Twinning for NAAU is being prepared – the fiche has been produced and submitted to the Headquarters for approval.

Document: EAMR\Eamr_dec2009

Position: 286 - 288

Code: EQ6-stand\JC61\I-615

Standardisation

In the area of quality assurance and technical regulations, since 2008, with the change of the top management in the State Committee for Technical Regulation and Consumer Policy (DSSU), the pace of reforms has slowed down. While the Cabinet of Ministers approved about 30 Technical Regulations, approximated to the EU New Approach Directives, in 2008, there has been absolutely no progress in reforming institutions. In the first half of 2009 negotiations on policy targets to be supported by the AAP 2008 budget support operation on the removal of technical barriers to trade between EU and Ukraine have been completed, and a set of benchmarks has been agreed. However, after that the consideration and eventual signature of the Financing Agreement for the budget support operation by the Ukrainian side has taken nearly 6 months. As a result, the Financing Agreement was signed at the end of December 2009, shortly before the deadline for contracting.

Implementation of technical assistance and twinning projects continues. The Twinning project "Strengthening Standardisation, Market surveillance, Metrology and Legal Metrology, Conformity Assessment and consumer Policy in Ukraine" has completed its activities and has developed recommendations/action plans, which comprised such institutional changes as the establishment of an independent National Standardisation Body and separation of market surveillance and consumer policy from other quality infrastructure functions. DSSU confirmed acceptance of these recommendations by a letter to the EC Delegation. However, the recommendations are not been implemented. The clear lack of will by DSSU to go ahead with institutional changes has caused a lot of difficulties also to the project "Technical Assistance to Ukrainian Quality Infrastructure", which had been supposed to support the implementation process. Consequently, the project had to re-orient its approach and is now focused on two main directions: drafting of the lacking framework legislation, in co-operation with the Ministry for Economy, and practical support to the institutions of the Ukrainian quality infrastructure, aiming to help them prepare for their future new roles. The Twinning project "Strengthening Activities of the National Accreditation Agency of Ukraine" proceeds smoothly and has already resulted in the recognition of the Agency by the European Accreditation in one of the areas included in the project – certification of personnel. In the course of 2009, two contracts for supply of equipment to Ukrainian metrology institutions have been signed, for the total amount over € 3.2 million. Part of the equipment have been delivered in 2009, namely the equipment for mass measurement and time measurement.

2.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies

2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies

2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 JC 6.4 - Cost of compliance reduced

2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance

2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

2.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

Summary at EQ level:

- There is no evidence so far on EC contribution to deepening regional economic integration.

2.7.1 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

2.7.1.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

2.7.1.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

2.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government

2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

Summary for each indicator:

- The project D-016-777 aims at supporting SMEs and developing their competitiveness.
- According to the CSE (2010), EC cooperation contributed to integration of Ukraine in the world economy and to strengthening the capacity of Ukrainian enterprises, in particular SMEs, to sell their products on foreign markets and in particular in the EU. However, impact of the only project in support of SMEs' export capacity was limited and the sustainability of its results is in doubt.

Full extractions

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 772 - 2886

Code: EQ6-stand\JC81\I-812

4.5.2 The Commission's cooperation contributed to integration of Ukraine in the world economy and to strengthening the capacity of Ukrainian enterprises, in particular SMEs, to sell their products on foreign markets and in particular in the EU (JC5.2 & JC5.3)

The Ukrainian economy is wide open to trade. Between 2000 and 2008 imports and exports accounted for more than 50% of GDP. But if the development of exports played a positive role in the resumption of economic growth in the early 2000s, the contribution of trade to GDP growth was negative during the second half of the decade and from 2005 the trade balance started to exhibit increasing deficits.

The development of imports from the EU has been particularly dynamic with the result that the EU has become the largest import partner of Ukraine, supplying close to 45% of its total imports in 2007. One could have expected progress on regulatory approximation with EU standards, technical regulations, conformity assessment procedures, sanitary and phytosanitary regulations, and controls to facilitate access of Ukrainian products to the European market and hence stimulate the development of Ukrainian exports to the EU. But no such development was observed during the period under review. Ukrainian exports to the EU have grown slowly, and the share of the EU in total Ukrainian exports declined from 34% in 2004 to less than 30% in 2007.

Against the background of the world economic crisis, which severely hit the Ukrainian economy from the second half of 2008, Ukrainian imports fell in 2009 by 44% and exports by 37%. EU exports to Ukraine, which had already decreased by 20% in 2008, fell by a further 44% in 2009. The EU nevertheless remained the largest import partner of Ukraine in 2009, with a market share of 34%, ahead of Russia at 28.9%. Ukrainian exports to the EU were also severely affected by the economic crisis. After a marked slowdown in 2008 they fell by 45% in 2009. The share of the EU in Ukrainian exports diminished to 24%, while the share of Russia slightly increased to 21.4%.

These developments reflect weaknesses in the Ukrainian economy. The poor performance of Ukrainian exports on EU markets may be related to the slowness with which Ukraine has aligned its standards, technical regulations and SPS regulations with international

standards. The extremely high sensitivity of these exports to economic fluctuations is a consequence of the high concentration of Ukrainian exports in a small number of base products. In 2008 three groups of products accounted for more than 60% of total Ukrainian exports to the EU: iron and steel (28.8%), fuels (19.9%) and agricultural products (18.5%). These products, in particular iron and steel, which in the dynamic international economic environment that prevailed in the early 2000s were powerful drivers of the economic recovery in Ukraine, are also the hardest hit in a world recession. Finally, delayed VAT refunds are a disincentive to export, especially for SMEs confronted with cash flow problems.

During the period under review the European Commission implemented in 2007-2009 a two-year project aimed at enhancing the competitiveness of Ukrainian SMEs and in particular at developing their capacity to export. The objectives of this project were (a) to improve State policy in the sphere of SME support; (b) to facilitate commercial links with EU companies and other foreign enterprises; and (c) to increase awareness of business internationalisation in the public and SME sectors. The beneficiary of the activities targeting objective 'a' was the State Committee for Regulatory Policy and Entrepreneurship (SCURPE). The monitoring reports assess the effectiveness of the project positively, pointing out in particular that its effectiveness in relation to objective 'b' has even been higher than could have been expected under the prevailing harsh economic situation. Partnership and development missions were successful in terms of establishing contacts between Ukrainian and Western companies. However such a project directly benefits only a few tenths of the total number of enterprises. Greater impact was expected from improvement of the State policy and from the continuation and development on a larger scale of the activities initiated by the project by the Ukrainian partner. Unfortunately the new management of SCURPE, which was appointed shortly before the end of the project, did not take ownership of its results.

The Judgment Criterion is not validated. Impact of the only project in support of SMEs' export capacity was limited and the sustainability of its results is in doubt.

Document: D-016-777\11 - Devel. of Busin. Capacity of Ukrainian SMEs PF+LF

Position: 11 - 58

Code: EQ8-mark & invt\JC81\I-812

2. INTERVENTION LOGIC

Most SMEs (especially medium-sized) in Ukraine traditionally demand technical assistance in the sphere of international marketing and generally strive (quite often succeeding) to establish links and commercial agreements with foreign companies. This process of expanding the market base (in an increasingly more global world market) oftentimes goes beyond pure export sales and ultimately improves the management of all the business processes. This has enabled some Ukrainian enterprises to become competitive in a variety of ways:

- breaking beyond the limitations of often slack internal demand for products;
- finding new and more adequate sources for provisions of raw and other materials;
- obtaining new revenues from activities involving the distribution of foreign-made products;
- producing under license new and more competitive products designed abroad;
- achieving slimmer cost structures due to greater production capacity utilization thanks to new sales orders from foreign clients.

2.1 Wider objective

Assistance to the development of SMEs' competitiveness.

2.2 Specific objectives

The current EC strategy towards enterprise reform in Ukraine advocates first for "demand and market-oriented SME support programmes". Secondly, is expected "demand-driven advisory services which go beyond business

initiation and increasingly tailored to the needs of the sector's consolidation and growth". In order to achieve, this three specific directions will be followed:

1. Improvement of state policy in the sphere of SME support
2. Assistance to SMEs in designing and implementation of optimal schemes and mechanisms to establish commercial links with EU companies and other foreign enterprises.
3. Dissemination of results

2.3 *Expected results*

- The analytical document on the current status and threats for SME development and state policy in this sector prepared and agreed with beneficiary;
- Recommendations for the SCURPE as for improvement of the state policy on SME support in selected areas (e.g. promoting of clusters, business-infrastructures development, reform in the systems of permits and licenses) elaborated;
- Additional methodological materials supporting the above recommendations prepared;
- Efficient assistance in the preparation of analytical materials for administrative decision-making provided;
- Certain number of training tours, that have practical value for the implementation of recommendations proposed by the project, carried out;
- Review of SMEs' strategy as far as international promotion of goods conducted and managers' training needs analysis (TNA) carried out;
- Pilot enterprises selected according to criteria agreed with the beneficiary;
- Certain number of training programmes on designated themes elaborated and trainings for civil servants, managers, local experts in business infrastructure and relevant services development conducted;
- Optimal schemes and mechanisms of commercial relations with EU companies designed and implemented at selected pilot enterprises;
- New company strategic plans defined with an emphasis in international matters;
- New international marketing plans proposed with product quality, design, and packaging elements re-oriented when necessary (inevitably domestic marketing plans diagnosed and reconsidered as well);
- Facilitated access of Ukrainian enterprises to economical opportunities in the EU and elsewhere, and long-term business partnerships with EU companies established;
- Document suitable for dissemination among wider audience of SME managers and other groups concerned and based on experience of pilot enterprises prepared;
- Practical guide for SMEs on typical forms and schemes of commercial collaboration with EU companies published;
- Project's results widely disseminated among the wider SME community through round tables, conferences and CDs;
- Informational and analytical materials (including analysis of SME sector, training programmes, success stories, schemes of international commercial partnership adapted to local conditions) for different target groups developed and distributed;
- WEB-site of the SCURPE modernized in the way it could serve as the instrument of informational support to SMEs and as a tool for SMEs of different sorts to interchange information and contacts;
- Materials to be published in SCURPE's periodical edition prepared.
- Maintaining the SCURPE WEB-site and periodical edition.

2.4 Activities

- Review of the current status and threats for SME development (done by IFC) and state policy in this sphere.
- Elaboration of recommendations for the SCURPE on further steps to improve state support of SME development.
- Support to implementation of recommendations in the areas identified by the SCURPE.
- Elaboration of training programmes and conducting training for the SCURPE staff.
- Familiarization with European experience of SMEs development and state regulation of the sector in general.
- Review of SMEs' strategy as far as international promotion of goods and carrying out managers' training needs analysis (TNA) in this context.
- Selection of pilot SMEs for consultancy support (among the selected enterprises must be representatives of 2-3 clusters).
- Design and implementation of optimal schemes and mechanisms to establish commercial links with EU companies and other foreign enterprises.

- Elaboration of training programmes and conducting training for local experts in business infrastructure and development of relevant services.
- Elaborating and conducting training for wider audience of SME managers.
- Development of long-term business partnerships with EU companies.
- Summarizing results of review, training programmes and work done at selected pilot enterprises in order to create methodological framework.
- Dissemination of project results among wider audience (civil servants of SCURPE and other ministries concerned, entrepreneurs, consultants and experts in business-infrastructure and development of relevant services etc.).

Document: D-016-777\14 - EBRD TAM Programme PF+LF

Position: 18 - 47

Code: EQ8-mark & invt\JC81\I-812

2. INTERVENTION LOGIC

2.1 Wider Objective

To contribute to economic reform and development by assisting in the creation of a thriving, entrepreneurial small and medium size enterprise business sector, capable of increasing trade, commerce and the provision of services both within Ukraine and internationally, with a particular emphasis on rural area development.

This objective is in line with the objectives stated in the Country Strategy National Indicative Programme for Ukraine, which foresees the provision of support to strengthen SMEs in priority development regions and sectors; to assist the development of rural enterprises and enable better integration of the rural workforce; to help with transferring modern knowledge to enterprises on specific issues; and to increase competitiveness of enterprises via management training.

2.2 Specific objectives

The TAM Programme will develop and modernise the management skills and business performance of small and medium size enterprises by:

- Transferring industry-specific management skills and business know-how from Senior Advisors with 15 years' senior management experience in EU countries, and the promotion of sound corporate governance and international business practices, directly to Private Enterprises.
- Focusing on entrepreneurship development in selected regions (such as poor rural areas) and strategic sectors (such as food production and processing, off-farm activities, and input/output trade) which are of greatest catalytic effect on employment, as well as in line with the Government and EU development priorities.
- Organising seminars and workshops, based on the specific skills of highly experienced TAM Senior Advisors, in which CEOs and senior managers will be trained in functions such as governance, marketing, financial management, new product development, design, quality management and control, and others which may be defined as the Programme develops.

The Programme will include the development of business interests and trade with neighbouring countries. TAM is well placed to achieve this, as the Programme has already successfully assisted the development of SMEs in Poland, Belarus, Slovakia, Romania, Moldova and Hungary.

2.3 Expected results

- TAM will restructure and reform at least five (5), mainly medium size, enterprises in Ukraine.
- Enterprises assisted will have improved management skills, increased productivity and will provide sustainable employment opportunities.

2.4 Activities

TAM will:

- Allocate projects within industrial sectors most likely to have an immediate impact on economic development.
- Bring industry specific senior advisors to work directly with the management and staff of selected enterprises.
- Assist enterprises to define their strategic direction, and make and sustain the necessary changes to encourage business growth.
- Support and advise CEOs in the preparation of sound business plans.
- Build the confidence of senior managers in their ability to manage successfully in a market economy.
- Provide specialist advice to update design and production capabilities to be comparable to those in EU

countries

- Improve the competitive position of the enterprise management, staff, products and services by adapting assistance to their specific needs.
- Assist with the development of marketing strategies for specific products and markets and the implementation of market-driven sales activities.
- Enable the reduction of operating and production costs.
- Help enterprises install standards and processes that comply with industrial legislation.
- Assist management to introduce and develop sound environmental practices.
- Help enterprises to develop and establish a network of international contacts with customers, suppliers, distributors, investors and foreign partners.
- Make enterprises aware of the existing financial resources and where appropriate, assist enterprises to attract investment and/or loans.
- Monitor eligible enterprises, assess their level of the absorption and implementation of advice, and adjust further assistance accordingly.
- Retain the right to terminate non-performing projects and redirect the allocation to other projects, and thus ensure that any potential waste of donor funds is very low.

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements

2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns

Summary for each indicator:

- According to the CSE (2010), EU FDI in Ukraine is increasing but there is little evidence of any contribution to this development by the EC cooperation.

Full extractions

Document: CSE\Ukraine_CSE2010_vol1_en

Position: 290 - 3721

Code: EQ8-mark & invt\JC82\I-823

4.5.3 The Commission's cooperation contributed to the development of trade between the EU and Ukraine and to investments of EU companies in Ukraine (JC5.4)

Progress towards harmonisation of the legal and regulatory framework relative to economic activity with that of the EU, and the prospect of a deep and comprehensive Free Trade Area between Ukraine and the EU. should stimulate the development of foreign direct investments in Ukraine, particularly by European companies. However, as shown in the previous chapter, the reform process of the legal framework governing economic activity is relatively slow, while inadequate enforcement of the legislation, the bureaucratic practices of the administration, corruption, and political instability all impact negatively on the business climate. Both the World Bank survey "Ease of Doing Business" and the Competitiveness Reports of the World Economic Forum depict a very poor business climate which is likely to deter foreign companies from investing in Ukraine. In the 2009 World Economic Forum Report Ukraine ranked 82 out of 133 countries. Institutions (ranked 120), market efficiency (109), macroeconomic stability and financial market sophistication (106 for both indicators) are the factors most negatively assessed. More positive assessments are given to market size (29), higher education and training (46) and labour market efficiency (49).

Nevertheless FDI statistics reported by UNCTAD show a strong increase in FDI flows

into Ukraine, particularly since 2005, the “Orange Revolution” and the privatisation of the steel producer Kryvorizhstal to the Mittal Group. From less than US\$0.7 billion in 2002 the flow of FDI increased year after year to US\$10.7 billion in 2008. But when related to Ukraine’s population figures, FDI remains modest: US\$232 per capita in 2008 against for instance US\$434 in Poland and US\$497 in Russia.

Foreign investors in Ukraine are mainly European companies. According to figures provided by the State Statistical Committee, out of a total of US\$40.0 billion by end-2009, the FDI stock owned by European companies amounted to US\$31.4 billion.

In addition to the unfavourable business climate, foreign direct investment suffers from the absence of an effective promotion policy. A report of the Commission-funded project in support of SMEs in 2009 noted in this respect that “there are a number of government organisations both at the national and regional level responsible for attracting FDI in Ukraine. However, the lack of co-ordination and clear definition of functions, absence of a single investment project database and the lack of a standard ‘investment profile’ used for preparation of investment projects, are all inhibiting efficient and coherent operation of these organisations.” The Government appointed since the 2010 Presidential election has started to address this issue. In May 2010 a Decree of the Council of Ministers entrusted the State Agency of Ukraine for Investments and Development (previously State Agency of Ukraine for Investments and Innovation) with the responsibility for formulating and implementing policy relating to foreign investment promotion.

Until very recently the contribution of the European Commission to the development of foreign investments in Ukraine had consisted in its support for the reform of the legal and regulatory framework governing economic activity. In February 2010 the European Commission undertook to address this issue more directly. It launched at the Ukrainian Centre for Foreign Investment Promotion Centre a twinning project in which the EU partners are the German Ministry of Economy and Technology and the Polish State Investment Agency. The aim of this project is to enhance the institutional capacities of the Ukrainian Centre for Foreign Investment Promotion (InvestUkraine) and improve its performance through implementation of leading European practices. According to the Decree mentioned above InvestUkraine is subordinated to the State Agency of Ukraine for Investments and Development.

The Judgment Criterion is not validated. EU FDI in Ukraine is increasing but there is little evidence of any contribution to this development by the EC cooperation.

2.8.2.3 I 8.2.5 - Availability of quality investors’ information/guides

2.8.3 JC 8.3 Improved access to trade finance

(e.g. loans, letter of credits, export guarantees, trade credit insurance, export factoring)

- 2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed
- 2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)
- 2.8.4 **JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)**
- 2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors
- 2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors
- 2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).
- 2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

2.9 EQ 9 - To what extent has the Commission's TRA mainstreamed poverty reduction in TRA design and implementation?

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

2.9.3 JC 9.3 - TRA supported enforcement of ILO standards

2.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

2.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

2.10 Further important findings/text extractions, not attributable to one specific indicator

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>		<i>TAP</i>	<i>Eval</i>	<i>ROM</i>	<i>Progress (MTR)</i>	<i>Final reports</i>
Twinning and ENP Support Technical assistance	ENPI/2007/018-961	X	na	na	na	na
Promoting mutual trade by removing technical barriers to trade between Ukraine and the European Union	ENPI/2008/019-594	X	na	na	na	na
TACIS 2004 Ukraine Action Programme	TACIS/2004/016-777	X	na	X	na	na
TACIS 2005 Ukraine Action Programme	TACIS/2005/017-093	X	na	na	na	na
TACIS 2006 Ukraine Action Programme	TACIS/2006/018-038	X	na	na	na	na

3.1.2 EC documentation on trade-related assistance in the country

<i>Source</i>
Country Strategy Evaluation 2010
EAMR 2005, 2006, 2007, 2008, 2009, 2010

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Country Fiche

VIETNAM

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3.2 List of Acronyms

ADETEF	l'Agence de coopération technique internationale des ministères chargés de l'économie et du budget, France
AFTA	ASEAN Free Trade Association
APEC	Asia Pacific Economic Cooperation
APEC EIP	APEC Economic Integration Programme
ASEAN	Association of South East Asian Nations
ASEM	Asia Europe Meeting
AWP	Annual work plan
AUSAID	Australian Government Overseas Aid Program
CSP	Country Strategy Paper
CIDA	Canadian International Development Agency
DANIDA	Danish International Development Agency
DDA	Doha Development Agenda
DFID	UK Department for International Development
ETAT	European Technical Assistance Team
EC	European Commission
ECD	European Commission Delegation
EU	European Union
EVT2	European Technical Assistance Programme for Vietnam 2
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
FTU	Foreign Trade University in Hanoi
GATS	General Agreement on Trade in Services (WTO)
GDP	Gross Domestic product
GSO	General Statistic Office of Viet Nam
GoV	Government of Vietnam
HCMC	Ho Chi Ming City
HLU	Hanoi Law University
IDA	International Development Agency
IPA	Initial Plan of Activities
ISP	Institutional Support Project
ITC	International Trade Centre
LERAP	Vietnam Legal Reform Assistance Project
LTAT	Local Technical Assistance Team
MARD	Ministry of Agriculture and Rural Development
MOF	Ministry of Finance
MOFI	Ministry of Fisheries
MOI	Ministry of Industry
MOJ	Ministry of Justice
MOH	Ministry of Health
MONRE	Ministry of Natural Resources and Environment
MOST	Ministry of Science and Technology
MOT	Ministry of Trade
MOIT	Ministry of Industry and Trade
MOTE	Ministry of Training and Education
MOTR	Ministry of Transportation
MPI	Ministry of Planning and Investment
MUTRAP II	Multilateral Trade Assistance Project Vietnam II
NA	National Assembly
NIP	National Indicative Programme
NCIEC	National Committee for International Economic Co-operation
OG	Office of Government
OVI	Objectively verifiable indicator
OWP	Overall work plan
PSC	Project Steering Committee
PTF	Project Task Force

RTA	Regional Technical Assistance
SEDP	Socio-Economic Development Plan
SBV	State Bank of Vietnam
SPS	Sanitary and Phyto-Sanitary Measures
STAMEQ	Vietnamese Directorate for Standards and Quality
TA	Technical Assistance
TBT	Technical Barriers to Trade
TRTA	Trade-Related Technical Assistance
USAID	United States Agency for International Development
UNDP	United Nations Development Programme
VCCI	Vietnam Chamber of Commerce and Industry
VNU	Vietnam National University
WB	World Bank
WTO	World Trade Organisation

3.3 Country Overview

	2004	2005	2006	2007	2008	2009	2010
Exports Volume Index	168.2	180.6	205.8	238.4	256.2	249.3	284.9
Imports Volume Index	177.1	183.6	206.5	264.8	295.2	280.1	309.6
GDP per Capita in current US \$	558	642	731	843	1,070	1,130	1,224
Exports in % of GDP	66	69	74	77	78	68	78
Imports in % of GDP	73	74	78	93	93	79	88
FDI net inflows in current 1000US \$	1,610,000	1,954,000	2,400,000	6,700,000	9,579,000	7,600,000	8,000,000

Export volume indexes are derived from UNCTAD's volume index series and are the ratio of the export value indexes to the corresponding unit value indexes. Unit value indexes are based on data reported by countries that demonstrate consistency under UNCTAD quality controls, supplemented by UNCTAD's estimates using the previous year's trade values at the Standard International Trade Classification three-digit level as weights. To improve data coverage, especially for the latest periods, UNCTAD constructs a set of average prices indexes at the three-digit product classification of the Standard International Trade Classification revision 3 using UNCTAD's Commodity Price Statistics, international and national sources, and UNCTAD secretariat estimates and calculates unit value indexes at the country level using the current year's trade values as weights. (2000 = 100)

Source: WTO

	Rankings of the Global Competitiveness Report of the World Economic Forum (WEF)						2010
Viet Nam	2004	2005	2006	2007	2008	2009	
Rank	77	81	77	68	70	75	59
total number of countries	104	117	125	131	134	133	139

WTO membership: Yes, since 11.1.2007

3.4 Commission's TRA to Vietnam between 2004 and 2010

3.4.1 EC support to the country

As pointed out in the National Indicative Programme 2007-2010 (Vietnam), trade is one of the six priority areas for the EC development cooperation which is anchored in the Government of Vietnam's Socio-Economic Development Plan 2006-2010 (SEDP). The SEDP makes it clear that one of the principal tasks for the country is the expansion of trade through an acceleration of Vietnam's international economic integration. Since joining the WTO in 2007, the Government of Vietnam (GoV) has adopted a Post-WTO Action Plan for the implementation of WTO commitments and as a basis for further international economic integration. The GoV has also declared its intention of negotiating bilateral agreements with key trading partners, including Japan and the United States, and it has taken on the role of coordinator for the EU- ASEAN Free Trade Agreement negotiations, launched in March 2010. This confirms the high priority Vietnam attaches to its accelerated economic integration and export-led growth strategy.

EC support to Vietnam during the evaluation period was mainly through two subsequent projects: MUTRAP II and MUTRAP III. Furthermore, Vietnam benefitted from EC regional programmes, the main one being ECAP. While both MUTRAP programmes provide general trade related assistance, focusing especially on capacity building of the public sector, ECAP aimed at Intellectual Property rights. MUTRAP II aimed specifically at supporting Vietnam in its WTO accession, MUTRAP III, focused on the implementation of Vietnam's Post-WTO Action Plan.

According to the final evaluation of MUTRAP II it *"was a success story (...). It has an immediate impact in terms of human capacity development and institutional capacity development and is likely to have a wider economic and social impact which will facilitate an enabling environment for the implementation of MUTRAP III and the GoV Action Plan."* and *"The design and implementation of the MUTRAP II was demand driven and excellent working relationships were established and maintained with all parties. This contributed to the stakeholders' and immediate beneficiaries' sense of ownership of MUTRAP. (...) The very strong presence of programmes involving training provides a guarantee that the enhanced knowledge of government officials and members of the business sector contribute to the increase of capacities of their sending institutions in a durable way. A similar impact is expected from the large number of reports and publications produced by the Project."*

MUTRAP III is the successor of MUTRAP II with a focus on post-WTO accession through the strengthening of capacities within the Ministry of Industry and Trade in its core responsibility of trade policy-making and effective coordination with all relevant stakeholders, and the development of a coherent trade integration strategy, including aspect of regional agreements. According to the ROM report no 2: *"Mutrap III is a successful project in many ways. Being the third phase of a trade-related EC support, it has been able to consistently improve its performance over time by learning from past experiences. The project provides services that are highly relevant in view of Vietnam's policies (SEDP, Post-WTO action plan) and the challenges brought by increased international economic integration. It succeeds in providing these services in a qualitative way by mobilising adequate resources, developing well crafted approaches and, above all, following a flexible and demand-driven approach that gives much attention to the main requirements of its (public and private) stakeholders. Last but not least, the high level of ownership of the project within the MOIT is key to the long-term sustainability of its results."*

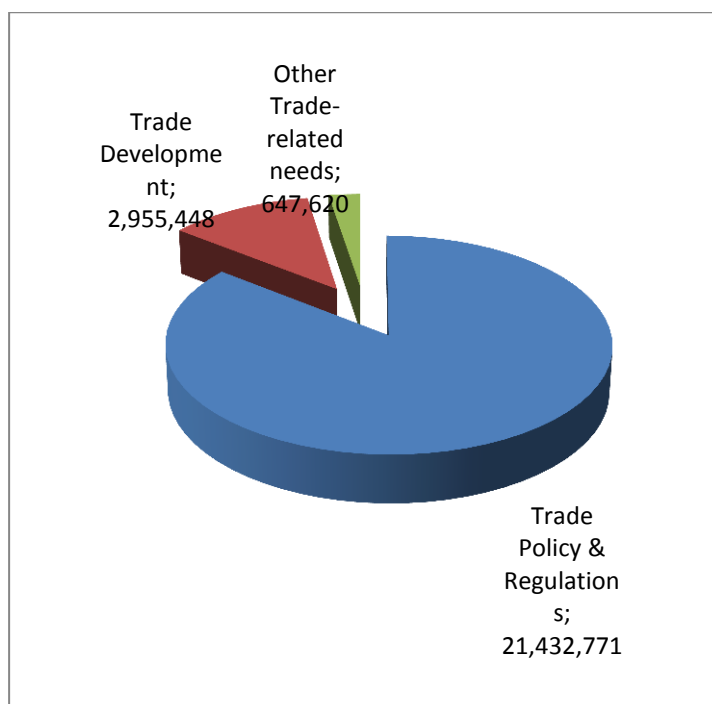
The CSE summarises EC support to the trade sector as following: *"A great deal. The EC's multi-dimensional support to trade and economic reform has substantially contributed to Vietnam's integration into the regional and global economies; the first via ASEAN integration and the second via WTO accession. The interventions that were most successful were those that were most flexible and were most closely aligned to existing policy decisions rather than aimed at developing policies. This underscores the fact that GoV ownership of EC support in trade and economy was extremely high. EC support to the PRSC has also coupled strong government ownership with support for the reform agenda."*

3.4.2 Contribution per sector, modality and channel

3.4.2.1 Breakdown per Category

Row Labels	Trade Policy & Regulations	Trade Development	Other Trade-related needs	Grand Total
2004	5.033.087			5.033.087
2005	229.969	79.087		309.056
2006	7.978.115	293.321		8.271.436
2007	199.914	500.608		700.522
2008	6.635.568	1.611.467		8.247.035
2009	1.148.912	470.966	647.620	2.267.498
2010	207.208			207.208
Grand Total	21.432.771	2.955.448	647.620	25.035.839

Total volume of contracted amount 2004-2010 per category



3.4.2.2 Breakdown per Modality

Row Labels	Project	Support to Sector Programmes	Grand Total
2004	5.033.087		5.033.087
2005	309.056		309.056
2006	371.436	7.900.000	8.271.436
2007	700.522		700.522
2008	8.247.035		8.247.035
2009	2.267.498		2.267.498
2010	207.208		207.208
Grand Total	17.135.839	7.900.000	25.035.839

3.4.2.3 Disbursement Rate

Year	Amount contracted in €	Amount paid in €
2004	5.033.087	5.033.087
2005	309.056	309.056
2006	8.271.436	8.271.436
2007	700.522	510.521
2008	8.247.035	3.533.218
2009	2.267.498	908.726
2010	207.208	16.034
Grand Total	25.035.839	18.582.078

Disbursement per Category

Row Labels	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	21.432.771	16.750.855
Trade Development	2.955.448	1.571.200
Other Trade-related needs	647.620	260.022
Grand Total	25.035.839	18.582.078

Disbursement per Modality

Row Labels	Amount contracted in €	Amount paid in €
Project	17.135.839	10682077,52
Support to Sector Programmes	7.900.000	7900000
Grand Total	25.035.839	18.582.078

Disbursement per channel

Row Labels	Amount contracted in €	Amount paid in €
Development Agency	9.511.467	8.445.870
Private Company	8.271.129	4.842.786
Government	5.082.607	3.964.384
Research Institution/University	1.262.732	825.074
NGO/Association/Chamber/Foundation	907.905	503.963
Grand Total	25.035.839	18.582.078

3.4.3 Important TRA interventions in Vietnam

Table 30 Overview of Commission's most relevant TRA interventions in Vietnam

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Committed amount for the intervention</i>
MUTRAP II - Multilateral Trade Assistance Project	ASIE/2003/005-711	4.954.821
Multilateral Trade Assistance Project (MUTRAP 3)	DCI-ASIE/2007/018-844	8.929.828

Source: CRIS database, Particip GmbH analysis

3.5 Description of main EC intervention

3.5.1 Intervention no 1

Title: MUTRAP II - Multilateral Trade Assistance Project, ASIE/2003/005-711

Budget: 5,100,000 Euro (total project budget: 5,350,000)

Start and end date: 10/2004-6/2008

Objectives and expected results:

Overall objective:

To assist Vietnam to improve and put in place conditions for sustained and stable economic growth through stronger integration into the global trading system and ultimately contribute in turn to poverty alleviation.

Specific objective:

To strengthen the capacity of the government of Vietnam and Vietnamese stakeholders for **managing WTO accession** and meet their commitment and challenges from other regional **and international trade related agreements**.

Expected results:

- 1- Increased Governments capacity to enter WTO timely and meet requirements for membership including progress in sector specific issues
- 2- **Progress on development of coherent and social and environmental sustainable trade** and economic integration strategy as part of economic policy reform process, inter alia through **enhanced local institutional and human capacity in trade** issues as well as **training and legal advice**.
- 3- Increased **knowledge and networking on international trade and WTO** issues among the government, the private sector, training and research institutions and other public and private stakeholders.
- 4- Increased government capacity to further **integrate effectively into the regional trade** related arrangements, such as AFTA, ASEM, ASEAN plus dialogue partner

Activities:

Component 1: Sector-specific activities in the areas of agriculture, services and SPS/TBT

Component 2: horizontal issues and cross-cutting activities foreseen in a number of TRTA areas, including legal development, capacity-building and curricular development, information and awareness raising, etc

Activities: (From the final project report)

The Overall Work Plan and Budget (OWPB) defined a detailed plan of activities in all the main areas of the Project, laid out the basic components of project management, included and implementation chart of the activities a budget plan. the OWPB of MUTRAP II comprised 27 technical assistance activities. Technical activities are groups in **4 policy components** of the Project, including: (i) Agriculture, (ii) trade in services, (iii) SPS/TBT transparency, and (iv) Horizontal areas.

- **In agriculture** the aim of activities was to facilitate the adoption of internal policies to meet the obligations and commitments under the WTO Agreement on Agriculture, with particular focus on **domestic support and export subsidization** and to **improve the marketability and competitiveness** of Vietnamese agricultural products and processed foods
 - **AGRI-1:** Review Vietnam's commitments under Agreement on Agriculture, including WTO rules on domestic support and export subsidies; Propose possible changes and new or improved "green boxes" policies with WTO consistent measures (Completed: April 2007).
 - **AGRI-2:** Study geographical indications, labelling and traceability, rules of origin and preferential trading arrangements applicable to fisheries and agro-food sector, with particular focus on regulatory frameworks of selected key export markets for Vietnam (Completed: June 2008).
 - **AGRI-3:** Study relevant WTO rules on equivalency and mutual recognition, existing bilateral agreements between other WTO Member countries of interest to Vietnam,

- propose areas and commodities for negotiating equivalency agreements or mutual recognition agreements (Completed: May 2006).
- In **services** the main objective was to facilitate the **implementation of GATS obligations** and commitments undertaken and **promote compliance with the transparency obligations** as well as to develop a **statistical system for trade in services**.
 - **SERV-1:** Analyse and assess **implications of Vietnam's GATS obligations** and commitments (Completed: July 2007).
 - **SERV-2:** Assist Ministry of Justice and relevant Ministries to **scrutinise relevant national legislation/regulation against GATS obligations/commitments** and assist respective Ministries in **drafting necessary legislation** (Completed: April 2008).
 - **SERV-3:** Study relevant forms of **banking services**, regional and bilateral banking agreements, effects of banking liberalization on banking competition; Propose appropriate legislation (Completed: December 2006).
 - **SERV-4:** Assist to establish the **GATS Enquiry and Contact Point** (Completed: July 2007).
 - **SERV-5:** Assist the General Statistics Office (GSO) and relevant Ministries to complete the **statistical system for trade in services** (Completed: May 2007).
 - In **SPS/TBT transparency** the focus was on **improving the skills and legal framework for SPS and TBT enquiry points and notification authorities** to comply with the relevant WTO transparency obligations. Activities also aimed to **improve the operation of the SPS and TBT enquiry points and notification authorities** through an **effective and coordinated network of information exchange** between all ministries, departments, agencies and provincial level authorities sharing SPS or TBT competences.
 - **SPS/TBT-1:** Organise **study tour to EU for SPS/TBT enquiry points officials** on management skills of SPS/TBT databases, information-exchange, risk assessment (Completed: December 2006).
 - **SPS/TBT-1A:** Technical assistance and **training on risk analysis under WTO** rules on SPS (Completed: December 2007).
 - **SPS/TBT-2:** Review **regulations related to implementation of SPS/TBT Agreements**, including the operation of SPS/ TBT enquiry points; Assess regulatory efficiency and implications (Completed: December 2007).
 - **SPS/TBT-3:** Adequately **equip the central SPS/ TBT enquiry points and notification authorities**; Assist to **create "SPS and TBT Portals and databases"** (Completed: May 2008)
 - **Horizontal programmes** were of cross sectoral nature with the aim of facilitating legal **development, enhancing capacity building and curricular development** of Vietnamese of different important developments such as Vietnam's WTO accession commitments, the DDA, and regional trade integration, analyzing the impact of WTO accession and trade liberalization on the Vietnamese economy and society and enhancing MUTRAP visibility and coordination among donors.
 - **HOR-1:** Improve the quality of **trade-related legislation** by enhancing **interaction between National Assembly and Government agencies**; Provide technical assistance to increase the legal drafting skills (Completed: December 2007).
 - **HOR-1(A)** Assistance to prepare implementing **regulations for securities law** and develop a well functioning securities market in Vietnam (Completed: June 2007).
 - **HOR-2:** Review available instruments of **trade defence** in light of Vietnam's WTO rights and obligations (Completed: April 2008).
 - **HOR-3:** Review **training syllabus related to WTO and international trade laws**, propose a WTO/ international trade law course to be commonly used in universities and government training institutes; Training of key trainers on international trade laws (Completed: December 2007).
 - **HOR-4:** **Training on negotiation techniques** (Completed: March 2008).
 - **HOR-5:** Training on settlement of **trade disputes** (Completed: December 2007).
 - **HOR-6:** **Raise awareness on regional trade and WTO issues**, including Doha Development Agenda (DDA) (Completed: April 2008).
 - **HOR-7:** **Communicate the packages of WTO commitments** and implications to relevant stakeholders (Completed: December 2007).

- **HOR-8:** Assist to set up a “**WTO and Market Access Database**” located at Ministry of Trade (Completed: May 2008).
- **HOR-9:** Comprehensively evaluate the impacts of increased key imports-exports and regulatory changes resulting from Vietnam membership in WTO; Provide practical **guides to pilot business/professional associations** in adapting to new situation (Completed: April 2008).
- **HOR-10:** Support the Ministry of Trade to assume the **coordinating role in Trans-Regional EU - ASEAN Trade Initiatives (TREATI)** (Completed: April 2008).
- **HOR-11:** Stock-take **Vietnam’s commitments under ASEAN, APEC, ASEM** and analyse best practices in regional trade liberalisation/facilitation, including their interaction with WTO commitments (Completed: March 2008).
- **HOR-12:** Create an ad-hoc TRTA Advisory Team for MUTRAP to guide, monitor the project implementation and enhance donor coordination; Organise media events related to TRTA activities and WTO issues (Completed: May 2008).
- **HOR-13:** Three-month training course on WTO for 10 Vietnamese officials abroad (Completed: July 2007).
- **HOR-14:** Provide WTO-related books to National Library of Vietnam (Completed: 6/2007).

Other relevant information (from the final project report)

Given the Government’s priorities during the period of MUTRAP II’s implementation, the project **focused on the post-WTO accession** issues for Vietnam, including

- (i) implementation of WTO commitments;
- (ii) support to areas where the country can benefit from WTO membership; and
- (iii) impact analysis of the country’s integration into the global economy, especially as it relates to agriculture, poverty alleviation and job restructuring.

Although the OWPB assumed that Vietnam would be a WTO member by the end of 2005, the country did not join until early 2007 and, as such, the entire first half of MUTRAP II was carried out during the period of continued negotiations for WTO accession. Uncertainties about the outcome of the negotiations, as well as the final date of their completion, inevitably caused some delays in MUTRAP II activities planned for this period.

The **last year of MUTRAP II**, beyond providing assistance to implementing WTO commitments, was **dominated by synthetic programmes** which were focusing on the **dissemination of information on Vietnam’s WTO accession conditions (HOR-7)** and **analyzing the impact of trade liberalization** and WTO accession on the economy and society.

The highlight of the Project was **HOR-9** which demonstrated the positive and the possible negative effects of WTO accession and trade liberalization in a period which was characterized by economic recession, financial instabilities in the United States and rising inflation and rapidly increasing food prices in many other developed and developing countries.

3.5.2 Intervention no 2

Title: Multilateral Trade Assistance Project (MUTRAP 3), DCI-ASIE/2007/018-844

Budget: 10.000.000 (total project costs: 10-670.000)

Start and end date: 6/2008-2012

Objectives and expected results:

Overall objective:

To assist Vietnam to implement the SEDP and the Post-WTO Action Plan for sustained pro-poor economic growth through stronger integration into the global trading system.

Specific objective:

The capacity of the **Ministry of Industry and Trade (MOIT)** to further implement and develop Vietnam's **trade and economic integration strategy** is strengthened; with particular emphasis on the provision of European experiences.

From the ROM project synopsis: MUTRAP III is concentrating on strengthening the capacities of the Ministry of Industry and Trade (MOIT) to assume its core responsibilities in a drastically changed environment. This support is considered as crucial, as the challenges stemming from WTO accession are bigger than those related to the actual WTO accession process. MOIT still lacks analytical and research capacities to adequately assure and take on the negotiations taking place with the WTO-Doha Development agenda and the increasing number of regional and bilateral trade agreements in the region. These challenges should also be viewed against the background of the increasing pressure the country is facing from trade competition and the adverse effects on society resulting from the uneven distribution of benefits between urban and rural areas. Viet Nam's growing integration into the multilateral trade system requires structural reform and economic transition and, above all, capacity building of government and business structures.

Expected results:

The envisaged results of the project are:

- (a) Increased capacity of MOIT to **coordinate and implement WTO commitments** including progress on sector specific issues;
- (b) Increased coordination of the MOIT with **the private sector**, training and research institutions to develop a coherent, social and environmental **sustainable trade integration strategy**;
- (c) Increased capacity of the MOIT to **effectively negotiate and coordinate regional trade** related arrangements such as AFTA, ASEAN plus dialogue partners and to engage in FTA negotiations with major trade partners;
- (d) Improved facilitation **of trade in services through** better coordination, statistics and better analytical capacity;
- (e) Strengthened capacity of the **competition authority** to ensure a fair and level playing field for all businesses, (both local and foreign) and to protect consumers effectively.

Activities:

- a) Increased capacity of MOIT to coordinate and implement WTO commitments
 - Training in specific WTO-related fields through courses and internships in Vietnam and Europe with special emphasis on sharing experiences of new EU members, former transition economies;
 - Strengthen the capacity of the Legal Department of MOIT to ensure consistency of Vietnam's trade related legislation with international treaties;
 - Facilitate the participation of the MOIT in the regular work of the WTO and multilateral trade negotiations;
 - Support the preparations for the first trade policy review of Vietnam in the WTO;
 - Facilitate the compliance of Vietnam with the WTO notification requirements;
 - Assess the potential impacts of Vietnam to join international economic and trade-related conventions and support joining selected conventions;
 - Introduce E-Governance in the area of Trade and within MOIT
 - Provide assistance to MOIT to strengthen interministerial coordination in the area of trade facilitation;
 - Prepare studies on non-market-economy status, WTO-compliant industry support mechanisms, distribution market liberalisation, etc;
 - Provide information on TBT and SPS provisions applied in the EU and their application to facilitate the access to the EU market;
 - Provide assistance on IPR enforcement complementary to ECAP III;
 - Support the BEYOND WTO Initiative.
- b) Increased coordination of the MOIT with the private sector, training and research institutions
 - Training on skills to analyze trade policies, data, market diagnostics and multi-stakeholder consultation for trade policy making and implementation;
 - Increase coherence of industrial policy with trade policy through research and consultations;
 - Strengthening the coordination mechanisms on trade policy issues;

- Improve trade information network of the Ministry of Industry and Trade and related agencies, including setting up a platform for direct interaction with businesses on trade related issues and strengthen the Trade Watch center to timely and appropriately capture social-environment related trade issues;
- Provide research and studies on trade and environment and poverty-related aspects of trade including gender (socio-economic and environmental impact assessments);
- Enhancing awareness and trade analysis capacity of business advisory groups and other forms of trade institutions (associations of farmers, industry-trade, small and medium enterprises, consumers etc);
- Provide small grants to private sector organisations to inform their members about trade issues;
- Provide small grants to Universities to strengthen teaching and research on trade policy and trade law;
- Enhancing capacity of existing international/regional trade policy institutes in cooperation with a potential Italian project.

c) Increased capacity of the MOIT to effectively negotiate and coordinate regional trade related arrangements

- Enhance the domestic institutional capacity to deal with regionalization issues through the provision of EU experiences;
- Identify a mechanism to harmonize the process of regional integration and WTO accession;
- Training on FTA negotiation skills
- Study the developments of different FTAs in the regions: their models, economic reasoning, trade creation effectiveness and welfare;
- Study the FTAs between EU and other countries for possible lesson learnt by Vietnam;
- Analyse the most important provisions of relevant bilateral and regional agreements, including different dispute settlement mechanisms;
- Support the implementation of the trade aspects of the Master Plan and the Government's Action Programme on the Development of Vietnam – European Union Relations until 2010 and orientations to 2015;
- Study, with other ASEAN countries together, the different stages of the EU integration process and draw the lessons for ASEAN integration;
- Support MOIT in its role as coordinator for EU-ASEAN FTA negotiations;
- Support to the MOIT to transform the representation of Vietnam's trade interests in foreign markets (trade offices).

d) Improved facilitation of trade in services through better coordination, statistics and better analytical capacity

- Improve the coordination **between trade regulation agencies and sectoral agencies** in managing trade in services in sub-sectors such as tourism, professional and business services, etc.;
- Support the improvement of trade in services statistics system including pilot surveys in complex sectors;
- Setting up a database system for trade in services in cooperation with the GSO and the Hungarian Statistical Office;
- Support the management of fair competition in service sectors;
- Carry out comparative studies on China, transition economies, other countries and ASEAN on services liberalisation;
- In-depth evaluation of WTO-membership's impact on some service sub-sectors based on a set of criteria for monitoring and assessment of social and economic effects of service liberalisation;
- Study and support the development and linkages of supporting services for key industries to enhance their competitiveness and value addition;
- Study distribution services sector and suggest models for liberalisation;
- Strengthen the GATS enquiry point
- Support in drafting a national strategy for services development in Viet Nam up to 2020.

- e) Strengthened capacity of the competition authority
- Support the implementation of newly-enacted competition law and transferring EU practical experiences in dealing with anti-competition practices;
 - Strengthen the interaction between competition administration department and sectoral regulators;
 - Strengthen the information center and the training center of the competition administration department;
 - Strengthen the Vietnam Competition Council and the Vietnam Consumer Protection Association;
 - Support drafting and implementing a consumer protection law and support its implementation
 - Support the implementation of trade defence instruments (TDI);
 - Raise awareness on competition policies, consumer protection and TDI's promoting a fair-competition culture in doing business;
 - Study the international dimensions of competition policies, consumer protection and TDI's.

4 Evaluation Questions

4.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

4.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

4.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

4.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

4.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

4.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

4.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

Summary for each indicator:

- EC trade support is aligned on the Socio-Economic Development Plan (SEDP) 2006-2010, which also has a trade component: "The SEDP also prioritised the need to have a **better system of information on services and instructed the General Statistical Office** to improve the system of information on trade in service". EC provides quite some support to the elaboration of data bases and use of statistical information (see I-61.4)
-

Intervention

MUTRAP II - Multilateral Trade Assistance Project

Final evaluation

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Consistency with GoV Policy

Overall, the whole MUTRAP II program with its 26 sub-activities is well designed and consistent with the policy of the Government of Viet Nam as reflected in key policy documents such as **Socio-Economic Development Plan (SEDP) 2006-2010**; the Prime Minister's Instruction 49/2004/CT-TTg on developing services in Socio-Economic Development Plan (SEDP) 2006-2010. These plans place on the need to widely disseminate knowledge of all GATS commitments under WTO accession to all ministries, government agencies and other interest stakeholders in the public and private sectors. The SEDP also prioritised the need to have a **better system of information on services and instructed the General Statistical Office** to improve the system of information on trade in service. The decision to establish TBT and SPS points is also clearly in line with the Prime Minister Decisions issued in May 2005 establishing the network of notification and enquiry points on SPS and TBT.

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Consistency with EU Policy

The design of MUTRAP II was consistent with EC development co-operation policy with Vietnam as set in the EC Country Strategy Paper (CSP) for 2004-2006 (EC 2004), and EC National Indicative Policy (NIP) for 2005-2006 (EC 2005). The EC's policy is aligned with the GoV's Comprehensive Poverty Reduction and Growth Strategy (CPRGS) and the Socio-Economic Development Plans (SEDP) for 2001-2005 and 2006-10 (GoV 2002, 2006). In this connection, the primary objective of EC policy is to support Vietnam's efforts to reduce poverty in an economically, socially and environmentally sustainable manner in the two main areas: assistance to improve Vietnam's human development targeting the poor and assistance to facilitate integration of Vietnam into the international economy. **MUTRAP II is clearly designed to further integration into the multilateral trading system of the WTO.** It builds on the success of MUTRAP I which provides TA to build capacity in trade policy and carry the reforms necessary to meeting the requirements of WTO accession. MUTRAP II is in accordance with current EC policy as stated in the EC CSP for 2007-2013 and the EC NIP for 2007-10. This restates the EC commitment to continuing to support sustainable development and poverty reduction in Vietnam through economic reform, further opening of the Vietnamese economy and deeper integration into the global trading system.

4.1.2.2 I 2.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

Summary for each indicator:

- Different sources (ROM, external evaluation, CSE) highlight flexibility and a rapid response force are the added value of both MUTRAP programmes. However, the MTR also highlights that the current EC regulation makes it difficult to undertake necessary adjustments of the project components. (e.g. made necessary by the change of external situation due to the worldwide financial crisis)
- The CSE concluded : *“Over the course of the MUTRAP project, from Phase 1 to 2 to 3, there has been consistent increase in the **flexibility and rapidity of response** (of particular importance is the small project facility of MUTRAP III that sets an example on how to increase the flexibility of large projects), which has been reflected in greater stakeholder satisfaction and increased impact. The key to support in this area where national needs and priorities are clear is in serving as a **rapid response force** bringing European expertise in economic integration, to bear on nationally identified problems. “*
- ROM no 2: *“Through its flexible planning approach, the project is capable to identify, on a yearly basis, **the most strategic activities** to contribute to the achievement of its five key components at output level”*
- Examples of how flexibility is implemented (MTR): *“the project management team has demonstrated flexibility in adapting or designing new project activities to respond to the changing needs and priorities of the beneficiaries. For example, given the global financial crisis and the **deepening trade deficit** of Vietnam, the WTO component of MUTRAP III instituted a **special activity to analyze the trade deficit situation in Vietnam** and provided specific recommendations not to use the balance of payment (BOP) provisions in the WTO. **The conclusions and recommendations of the study convinced the Vietnamese authorities not to use the BOP provision** to solve the trade deficit problem.*
Under the FTA component, MUTRAP III was originally designed to study the bilateral/ regional FTAs with which Vietnam was

involved, such as ASEAN-China, ASEAN-Korea, ASEAN-Japan FTAs. **Given the developments of the FTA negotiations in Vietnam, the Project has decided to merge those FTA studies and to conduct a comprehensive study on the horizontal impact of these FTAs on Vietnam in order to compare Vietnam's commitments in those FTAs.**

In the services component, originally the strategy study was focused on the trade in services only. At the request of MPI, the project team was flexible in expanding the scope of the study to cover the entire service sector development strategy, which is more relevant to the needs of the country.

MUTRAP III has also displayed flexibility in the timing for implementation of activities. This included flexibilities in regard to the timing of workshops organized within the framework of CB-1, and also the dates of the missions of the COMP-3 experts - which were revised in order to accommodate the requirements of the Drafting Committee on the Law on Consumer Protection. MUTRAP has also responded well to emergencies. For example, PTF was able to organise urgently activities in October 2008 to support LEFASO in dealing with the anti-dumping review procedure initiated by the EC earlier that month. "

MUTRAP II - Multilateral Trade Assistance Project

Final project report

Given the Government's priorities during the period of MUTRAP II's implementation, the project (initially) focused on the post-WTO accession issues for Vietnam, including

- (i) implementation of WTO commitments;
- (ii) support to areas where the country can benefit from WTO membership; and
- (iii) impact analysis of the country's integration into the global economy, especially as it relates to agriculture, poverty alleviation and job restructuring.

Although the OWPB assumed that Vietnam would be a WTO member by the end of 2005, the country did not join until early 2007 and, as such, the entire first half of MUTRAP II was carried out during the period of continued negotiations for WTO accession. Uncertainties about the outcome of the negotiations, as well as the final date of their completion, inevitably caused some delays in MUTRAP II activities planned for this period.

The last year of MUTRAP II, beyond providing assistance to implementing WTO commitments, was dominated by synthetic programmes which were focusing on the dissemination of information on Vietnam's WTO accession conditions (HOR-7) and analyzing the impact of trade liberalization and WTO accession on the economy and society.

The highlight of the Project was HOR-9 which demonstrated the positive and the possible negative effects of WTO accession and trade liberalization in a period which was characterized by economic recession, financial instabilities in the United States and rising inflation and rapidly increasing food prices in many other developed and developing countries.

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ROM No 2: MR-125600.02; 11/11/2011

Through its flexible planning approach, the project is capable to identify, on a yearly basis, the most strategic activities to contribute to the achievement of its five key components at output level.

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Local ownership of MUTRAP III is high. While the project has demonstrated that **it can adapt to changing needs**, current **EC Regulations make it difficult for the project** to make the necessary adjustments to the implementation of components in order to meet some new Vietnamese priorities – such as those that may have arisen in the wake of the financial crisis - which was highlighted by the Deputy Minister of Industry and Trade during the meeting with the evaluators on 1 June;

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2.1.4 Adaptability of Program Design to the Changing Needs Vietnam joined the WTO in January 2007. The MUTRAP III was designed to primarily respond to the needs for the implementation of the WTO commitments of Vietnam as well as to assist Vietnam in the FTA related preparation and negotiations. MUTRAP III was also intended to strengthen the capacity of business associations and academic institutions in trade coordination and consultation process.

Since the trade in services and competition/consumer protection were identified by the Vietnamese beneficiaries as the most important sectors/issues in the economic and trade reforms in Vietnam after the WTO accession, MUTRAP III also included the two components specifically dealing with the trade in services and competition and consumer protection issues.

It took more than 12 years for Vietnam to join the WTO. However, the implementation of the WTO commitments and the associated FTA negotiations and implementations are far more demanding for trade-related assistance than the WTO accession effort. In particular, the trade negotiations in the WTO and FTAs are always changing focus, depending on the interests and priorities of trade negotiating partners. As a result, the project management team has **demonstrated flexibility in adapting or designing new project activities to respond to the changing needs and priorities of the beneficiaries.** For example, given the **global financial crisis and the deepening trade deficit of Vietnam, the WTO component of MUTRAP III instituted a special activity to analyze the trade deficit situation in Vietnam and provided specific recommendations not to use the balance of payment (BOP) provisions in the WTO.** The conclusions and recommendations of the study convinced the Vietnamese authorities not to use the BOP provision to solve the trade deficit problem. Under the FTA component, MUTRAP III was originally designed to study the bilateral/regional FTAs with which Vietnam was involved, such as ASEAN-China, ASEAN-Korea, ASEAN-Japan FTAs. Given the developments of the FTA negotiations in Vietnam, the Project has decided to merge those FTA studies and to conduct a comprehensive study on the horizontal impact of these FTAs on Vietnam in order to compare Vietnam's commitments in those FTAs. In the services component, originally the strategy study was focused on the trade in services only. At the request of MPI, the project team was flexible in expanding the scope of the study to cover the entire service sector development strategy, which is more relevant to the needs of the country. MUTRAP III has also displayed flexibility in the timing for implementation of activities. This included flexibilities in regard to the timing of workshops organized within the framework of CB-1, and also the dates of the missions of the COMP-3 experts - which were revised in order to accommodate the requirements of the Drafting Committee on the Law on Consumer Protection. MUTRAP has also responded well to emergencies. For example, PTF was able to organise urgently activities in October 2008 to support LEFASO in dealing with the anti-dumping review procedure initiated by the EC earlier that month.

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Conclusion cS4 (from EQ 4)

EC support in trade and economy has been successful because of its flexibility in response to clearly expressed needs; that is to say, GoV ownership and commitment have been extremely high.

Over the course of the MUTRAP project, from Phase 1 to 2 to 3, there has been consistent increase in the **flexibility and rapidity of response** (of particular importance is the small project facility of MUTRAP III that sets an example on how to increase the flexibility of large projects), which has been reflected in greater stakeholder satisfaction and increased impact. The key to support in this area where national needs and priorities are clear is in serving as a rapid response force bringing European expertise in economic integration, to bear on nationally identified problems. The ETV2 project, while it implemented some valuable activities (for example, in the area of Sanitary and **Phyto-sanitary Standards**), **was less successful because the process of deciding on, gearing up for, and delivering technical assistance in a given area became bogged down in politics and procedures.**

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4.1.3 Recommendation rS4 (from Conclusion cS4)

*Unforeseeable endogenous and exogenous developments and factors as the current global financial crisis place particular demands on flexibility and responsiveness. The EC should consider ongoing interventions, such as its MUTRAP project and "Support to strategic dialogue ..." as a **"rapid response force"** providing exceedingly quick support, in the form of analyses, technical assistance, and capacity building, to very specific issues as they arise.*

MUTRAP is **already working as a rapid response force**, and can address bilateral EU-Vietnam issues as they come up. The "Support to strategic dialogue ..." project is already providing capacity building in highly focused areas.

- 4.1.4 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness**
- 4.1.4.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)
 - 4.1.4.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these
 - 4.1.4.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”
 - 4.1.4.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

4.2 EQ 2 - To what extent have the Commission’s TRA modalities and channels used been appropriate to delivering TRA?

4.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

4.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

4.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

4.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

4.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

4.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

4.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

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Overall, the **policy dialogue** between the GoV and donors, including the EC, has been focused primarily on influencing the implementation of existing pro-market reform policies, rather than introducing or designing new ones. This had the result of ensuring very high GoV ownership of support provided. While it is difficult to quantify and qualify the specific impact of EC-funded interactions on legislative and policy-making processes, linkages clearly do exist; for example, the Institutional Support Programme (ISP) provided a great deal of support to the National Assembly on matters related to WTO. However, **the EC support for the PRSC has probably** been the most significant contribution in this regard. Through the **soft conditionality implicit in its policy matrix**, general budget support for PRSC has been providing important incentives to keep the macroeconomic reform programme on track while supporting reform-minded political actors.

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From the JC summary

EC-supported projects, technical assistance, capacity-building, and EC funded support for policy dialogue strengthened VN’s economic reform programme

All EC interventions during the review period have supported Vietnam’s economic reform programme. Overall, the **policy dialogue** between the GoV and donors being focused primarily on the **‘how’ rather than the ‘what’** – influencing the implementation of existing pro-market reform policies, rather than introducing new ones. While it is difficult to clearly quantify and qualify the specific impact of EC-funded interactions on legislative and policy-making processes, there is ample evidence for existing linkages. **The PRSC has probably been the most significant contribution in this regard.** Through its soft conditionality the PRCS has been providing important incentives to keep the macroeconomic reform programme on track while supporting reform-minded political actors within the VCP and the Government (I 4.1.1).

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Indicator 4.1.1: Policy dialogue and other means of interaction contributed to pro-market legislation and policies

The support of the **doi moi reformation process** in general and pro-market reforms programmes in particular have been addressed by all EC interventions during the assessment period. Overall, the policy

dialogue between the GoV **and donors is focused on the ‘how’ rather than the ‘what’** – influencing the implementation of policies, rather than introducing new ones (1).

While it is difficult to clearly quantify and qualify the specific impact of EC-funded interactions on legislative and policy-making processes, there is ample evidence for existing linkages. The PRSC has probably been the most significant contribution in this regard. Through its soft conditionality the PRC has been providing important incentives to keep the macroeconomic reform programme on track while supporting reform-minded political actors within the VCP and the Government. Various studies and reports on the PRSC process stress its influence on policy, particularly the content of sectoral policies, driven by the fact that the **PRSC policy matrix is based on reform-linked policy actions**. Among the targets of the policy matrix, the creation of “a legal environment for fair and competitive business” is the most explicit one directed at pro-market reforms. By that the PRSC has strongly supported moves to a more liberalised competitive economy, which involved a stronger role for the private sector and less government intervention. Progress was also made in moving towards trade liberalisation and World Trade Organisation (WTO) accession and various initiatives have been put in place to level the playing field for private companies through the establishment of laws and regulatory frameworks. At the same time state-owned enterprise (SOE) and financial sector reform made less progress even though a substantial number of policy actions have focused on these two areas (2). Yet, as the Vietnam Country Study of the Joint Evaluation of General Budget Support 1994-2004, points out, **policy processes are generally “difficult to influence in Vietnam due to a complex and opaque institutional system” (3)**. A 2004 study by the Overseas Development Institute concluded that **“the overall impression is that the CPRGS has played a modest but significant role in improving the Vietnamese policy and planning systems (4).”**

The pre-2006 phases of the PRSC were somewhat marred by diverging interpretations of the relationship of the CPRGS to the existing indigenous planning processes and documents, notably the 10-Year Strategy and the 5-Year Development Plan. While the GoV was looking to the socioeconomic development plan as the embodiment of the country’s development strategy, donors and the IFI viewed the CPRGS as playing this role. The two strategies were largely consistent, but their emphasis differed: the socioeconomic development plan placed more emphasis on industrialisation and modernisation, while the CPRGS emphasises social expenditures and poverty reduction (5). **These differences were finally overcome with the formulation of the Economic Development Plan (SEDP) 2006-10, which incorporates the principles contained in the CPRGS and provides a framework for more effective links between the PSRC and the legislative/policy-making process**. The SEDP emphasises, *inter alia*, accelerating growth and promoting modern governance and the policy reforms needed to attain these goals.

4.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

4.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

4.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

4.3 EQ 3 - To what extent has the Commission’s TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

4.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

Summary for each indicator:

- Importance of policy dialogue. The CSE noted: “Overall, the **policy dialogue** between the GoV and donors, including the EC, has been focused primarily on influencing the implementation of existing pro-market reform policies, rather than introducing or designing new ones. This had the result of ensuring very high GoV ownership of support provided.
- EC visibility was very high with both MUTRAP II and III

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2.1.6 Coherence and EC Value-Added
 The European Commission (EC) has been playing an important role in the trade-related capacity building in Vietnam in the last 15 years. MUTRAP has been recognised as a flagship trade assistance programme in the country. After the implementation of MUTRAP I and II, MUTRAP III decided to focus on the capacity building efforts in the MOIT in order to address the long-term capacity deficiency of the country. Since the EC is a major player in the global trade system and a strong supporter of Vietnam in the international integration process, the trade-related assistance under MUTRAP and other trade-related regional and country initiatives also reflects the key competence of the EC in this particular area.
 The EC trade-related assistance under MUTRAP is **coherent with the Vietnam-European Strategy Paper 2007-2013** and also shows the EC value-added in comparison with other EU member states and other donors. The Vietnam-European Strategy Paper clearly identified that trade-related assistance is closely linked with sustainable development and poverty reduction through economic reforms and deeper economic integration of the country into the global trade system. **The EC is able to maximize the potential benefits in the area and to establish a strong correlation and coherence between the EC’s work in development cooperation and the EC’s leadership in the global trade system.**

CSE

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 Overall, the **policy dialogue** between the GoV and donors, including the EC, has been focused primarily on influencing the implementation of existing pro-market reform policies, rather than introducing or designing new ones. This had the result of ensuring very high GoV ownership of support provided. While it is difficult to quantify and qualify the specific impact of EC-funded interactions on legislative and policy-making processes, linkages clearly do exist; for example, the Institutional Support Programme (ISP) provided a great deal of support to the National Assembly on matters related to WTO. However, **the EC support for the PRSC has probably** been the most significant contribution in this regard. Through the **soft conditionality implicit in its policy matrix**, general budget support for PRSC has been providing important incentives to keep the macroeconomic reform programme on track while supporting reform-minded political actors.

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EC-supported projects, technical assistance, capacity-building, and EC funded support for policy dialogue strengthened VN’s economic reform programme
 All EC interventions during the review period have supported Vietnam’s economic reform programme. Overall, the **policy dialogue** between the GoV and donors being focused primarily on the **‘how’ rather than the ‘what’** – influencing the implementation of existing pro-market reform policies, rather than introducing new ones. While it is difficult to clearly quantify and qualify the specific impact of EC-funded interactions on legislative and policy-making processes, there is ample evidence for existing linkages. **The PRSC has probably been the most**

significant contribution in this regard. Through its soft conditionality the PRCS has been providing important incentives to keep the macroeconomic reform programme on track while supporting reform-minded political actors within the VCP and the Government (I 4.1.1).

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Policy dialogue and other means of interaction contributed to pro-market legislation and policies

The support of the *doi moi* reformation process in general and pro-market reforms programmes in particular have been addressed by all EC interventions during the assessment period. Overall, the policy dialogue between the GoV and donors is focused on the ‘how’ rather than the ‘what’ – influencing the implementation of policies, rather than introducing new ones (1).

While it is difficult to clearly quantify and qualify the specific impact of EC-funded interactions on legislative and policy-making processes, there is ample evidence for existing linkages. The PRSC has probably been the most significant contribution in this regard. Through its soft conditionality the PRC has been providing important incentives to keep the macroeconomic reform programme on track while supporting reform-minded political actors within the VCP and the Government. Various studies and reports on the PRSC process stress its influence on policy, particularly the content of sectoral policies, driven by the fact that the PRSC policy matrix is based on reform-linked policy actions. Among the targets of the policy matrix, the creation of “a legal environment for fair and competitive business” is the most explicit one directed at pro-market reforms. By that the PRSC has strongly supported moves to a more liberalised competitive economy, which involved a stronger role for the private sector and less government intervention. Progress was also made in moving towards trade liberalisation and World Trade Organisation (WTO) accession and various initiatives have been put in place to level the playing field for private companies through the establishment of laws and regulatory frameworks. At the same time state-owned enterprise (SOE) and financial sector reform made less progress even though a substantial number of policy actions have focused on these two areas (2). Yet, as the Vietnam Country Study of the Joint Evaluation of General Budget Support 1994-2004, points out, policy processes are generally “difficult to influence in Vietnam due to a complex and opaque institutional system” (3). A 2004 study by the Overseas Development Institute concluded that “the overall impression is that the CPRGS has played a modest but significant role in improving the Vietnamese policy and planning systems (4).”

The pre-2006 phases of the PRSC were somewhat marred by diverging interpretations of the relationship of the CPRGS to the existing indigenous planning processes and documents, notably the 10-Year Strategy and the 5-Year Development Plan. While the GoV was looking to the socioeconomic development plan as the embodiment of the country’s development strategy, donors and the IFI viewed the CPRGS as playing this role. **The two strategies were largely consistent**, but their emphasis differed: the socioeconomic development plan placed more emphasis on industrialisation and modernisation, while the CPRGS emphasises social expenditures and poverty reduction (5). These differences were finally overcome with the formulation of the Economic Development Plan (SEDP) 2006-10, which incorporates the principles contained in the CPRGS and provides a framework for more effective links between the PSRC and the legislative/policy-making process. The SEDP emphasises, *inter alia*, accelerating growth and promoting modern governance and the policy reforms needed to attain these goals.

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EC-funded projects, technical assistance, capacity-building, and support for policy dialogue accelerated VN’s entry into WTO

JC assessment:

The EC has played a decisive instrumental role in the development of Vietnam’s WTO accession strategy and Post WTO Action Plan. As a very visible manifestation of support to Vietnam’s WTO entry, in October 2004 the EU became the country’s first major partner to conclude bilateral accession negotiations, a step which gave significant impetus to the overall accession process. Several projects have aimed at assisting Vietnam in its WTO-related obligations. Among them the Multilateral Trade Policy Assistance Programme (MUTRAP) stands out (Indicator 4.2.2).

The liberalisation of foreign trade has been a main pillar and integral part of Vietnam's economic planning and policymaking process for the past two decades. **The EU's approach to the support of Vietnam's global and regional economic integration is based on the notion of coherence between development and trade, e.g. the proposition that trade policy should advance the development of economic opportunities of Vietnam and support the export-oriented development strategy of Vietnam** (Indicator 4.2.3). Within this context, the capacity of Vietnamese companies has been strengthened mainly through the Vietnam Private Sector Support Programme (VPSSP, 2004-2008) and generally the manifold activities of EuroCham (Indicator 4.2.4).

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Indicator 4.5.9: EU visibility enhanced by its economic dialogue and co-operation

While visibility is a factor that can never be analysed based on documents alone (unless a survey has been carried out which is not the case in Vietnam) and this indicator can only be sufficiently assessed after the field mission, it is likely that EU visibility in the trade and investment sector has been markedly increased by the following factors (not necessarily in the order of importance):

- At the project level especially the SPF (Small Projects Facility), which explicitly aimed to improve the mutual understanding and joint visibility of the EU in Vietnam, and vice-versa, by promoting **civil society dialogue** and facilitating interactions in the priority areas of intervention (see Indicator 4.1.1). A small 10-project sample alone (that was chosen for final evaluation) engaged upwards of 5000 persons directly and 8000+ indirectly. "With a budget of EUR 2 million over 4 years, the SPF encouraged a wide participation of civil society actors in the ongoing reform process and fostered the transfer of know-how from European partners. In this context, the SPF supported actions, often with a policy advice orientation, that included a dimension of Vietnamese-European partnership by involving qualified institutions, associations and/or expertise (1). In general terms – and this is almost common sense – "EC visibility is easier to ensure with 'high level' projects producing wider outputs (hence with large funds) than with a multitude of small ill-matched/too focused projects" (2).
- The strong and in the Vietnamese media widely reported EU support for the country's WTO membership.

The work of EuroCham given mainly the large number of high profile in-country seminars/workshops that the chamber has organised in its ten year existence. For example in September 2008 EuroCham hosted an event with Vietnamese Deputy Prime Minister Hoang Trung Hai on the future of the EU-Vietnam trade and the role of the European private sector in the nation's continuing development (3).

4.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

4.3.2 **JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states**

4.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

4.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

4.3.3 **JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)**

4.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Summary for each indicator:

- Coordination and complementarities between MUTRAP II and III as well as other EC TRTA interventions with those of other donors must be assessed as good. Especially during the design of a programme efforts from EC and donors were put to avoid duplications. (see examples above, e.g. with UK/AUSAID programme “Beyond WTO”)
- Coordination among donors has been facilitated by the *Hanoi Core Statement on Aid Effectiveness, Ownership, Harmonisation, Alignment, Results*. This key development policy statement, adopted by the GoV and development partners in 2005, requires (among other things) donors to **rationalise their systems and procedures by implementing common arrangements for planning, design, implementation, and reporting to the GoV** on donor activities and aid flows.
- According to the external evaluation, coordination between EC programmes has not been sought from the beginning. Although MUTRAP was designed to complement the other programmes (notably EV1 and ISP), no real close working relationship has been established. According to the final evaluation : *“MUTRAP II may have increased its efficiency and effectiveness if it had proactively sought co-operation with other donors and EC project in areas where a synergy could be created by joint presenting of both aspects of a topic addressed from different perspectives by different projects.* “The final project report is more positive about coordination with other EC programmes, but does not give examples. Only for the MUTRAP III project it is highlighted that coordination has taken place, which should be usually happen, as it is the follow-up project of MUTRAP II.
- MTR, p. 7 *“Since the EC is the largest donor in the area of trade-related assistance in Vietnam, naturally EC is also playing a coordinating role to reflect the EC’s leadership and value added. As a result, MUTRAP is closely working with EC-supported regional and country projects as well as with other donors to achieve the goal of donor coordination and aid effectiveness in this particular area.”*

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Coordination of MUTRAP with other donor programmes
 The MUTRAP II project was complementary to a number of other TRTA programmes financed by other member states including Denmark, Germany, the UK, and Sweden.
 Denmark is financing a “Framework conditions and services improved for business competitiveness” programme which commenced in 2005 and will end in 2009. The TBT/SPS segment in Component 1 of MUTRAP complement an activity of this programme which targeted capacity building of the WTO TBT Enquiry Point. MUTRAP II coordinated their activities with Danida.
 Germany has 2 programmes in place one supporting “Macro-Economic reform” with the SVB and a key beneficiary and the other supporting the “Promotion of Sustainable Utilisation and Management of Natural

Forest and Marketing of Important Forest Products”, with MARD as a key beneficiary. Both programs are running concurrently with MUTRAP II but there are no overlap or inconsistency.

The UK in partnership with Australia is financing the programme “Beyond WTO: Strengthening pro-poor sustainable growth and for poverty reduction” which was launched in 2005 and will continue to 2010. **MUTRAP assisted in the preparation of this programme to ensure that it complements** rather than competes with MUTRAP II. Sweden had a programme in place in co-operation with Switzerland “Support to Trade Promotion and Export Development in Vietnam”. This was complementary to MUTRAP II.

(..)

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The PTF Director and ETAT Leader also built good relationship with the other donors and maintained contact with them through out the project in order to ensure there was not overlap in implementation of the activities and maintained contact with them through out the project in order to ensure there was not overlap in implementation of the activities.

This included **LERAP, STAR, Beyond WTO, APEC EIP, CIDA, ADETEF, ITC WB and Danida.**

For example in the inception, **MUTRAP informally agreed with the WB that MUTRAP would focus on SPS transparency and Enquiry Points while the WB would concentrate on increasing SPS regulatory gap and compliance measures at production level.**

MUTRAP also worked closely with DANIDA to co-ordinate support to the WTO TBT Enquiry point under TBT/SPS- 1 and 3.

The ETAT Leader assisted AUSAID and DIFID in the preparation of the “Beyond WTO” Programme which also commenced in 2005 and has maintained a close working relationship to ensure the project are complementary to one another. **MUTRAP also enlisted the services of CIDA cooperated to implement HOR-2, HOR-5, HOR-7 and HOR-9.**

Consistency with different EC TRTA programmes

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MUTRAP II was designed to complement the EC TRTA programmes in place, which include the ETV2 (European Technical Assistance Programme for Vietnam 2)(2003-2008), ISP (2005-2008)(Institutional Support Project) as well as Small and Medium Enterprises Development Fund (SMEDF (2004-2008) and Private Sector Support Program (2005-2008).

(..)

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Although required to build co-operative relationships with the other EU TA projects, such as **EV2** (European Technical Assistance Programme for Vietnam 2) **and ISP** (Institutional Support Project), the evaluation **provided little evidence of a close working relationship.** There are two references to EV projects in progress, one of which occurs after the recommendation by the mid-term evaluation team to work more closely together. However the **evaluation team believes that MUTRAP II may have increased its efficiency and effectiveness if it had proactively sought co-operation with other donors and EC project in areas where a synergy could be created by joint presenting of both aspects of a topic addressed from different perspectives by different projects.**

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Donor coordination was among the methodology of MUTRAP to preserve the necessary coherence between the activities of the Project and those activities undertaken by other donors in the sector, to ensure optimum use of resources and synergy with other technical activities. The Project Director and the Team Leader had regular open exchange of information and meetings with all interested parties to avoid overlapping of activities and/or financing and to incorporate the lessons learnt by these other actors into the work of the project. As a result of these consultations agreement was reached with **CIDA that in the implementation of four MUTRAP programmes** (HOR-5, HOR-2, HOR-7 and HOR-9) CIDA experts would participate. The leadership of the MUTRAP Project actively helped and will continue to help with advise the “Beyond WTO” Project in its inception phase;

Coordination was also enhanced with major EC projects, **including MUTRAP III:** In the reporting period consultations with the leadership of other EC Projects, especially with **ETV2**, have become

regular and have been extended to expert level. Regarding MUTRAP III, the Project Director and the ETA Team Leader has regularly contributed to the preparation of the basic concept of MUTRAP III.

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There are a number of other donor countries and international agencies that are providing support to Vietnam on trade and WTO issues. They include the *Beyond WTO Program*, which was launched in 2007 in response to a request from the GoV for donor support to assist with managing economic integration and the transition to a market economy following Vietnam's accession to the WTO.

It also includes the USAID '*Star Vietnam*' project, which has focused on the implementation of US-Vietnam Bilateral Trade Agreement of 2001, and which has developed productive relationships with the TA T/L. In the short time available in Hanoi, the evaluators were able to speak to only a handful of other donors, including AusAid, DFID and the Swiss Cooperation Office. Some of the major donors – including UNDP, JICA and the Swedish aid agency – were not available. The Deputy Head of the Swiss Cooperation Office (SCO) **mentioned that MUTRAP had performed well in coordinating activities.** The **donors visited in Hanoi all expressed satisfaction with the spirit of cooperation** that existed among donors and the productive relationships they had developed with MUTRAP III, which they perceived as a leader in the field.

The effective coordination that prevails in Hanoi among aid donors has been facilitated **by the *Hanoi Core Statement on Aid Effectiveness, Ownership, Harmonisation, Alignment, Results.*** This **key development policy statement**, adopted by the GoV and development partners in 2005, requires (among other things) donors to **rationalise their systems and procedures by implementing common arrangements for planning, design, implementation, and reporting to the GoV** on donor activities and aid flows.

At the EU level, Vietnam was nominated a **pilot country for EU co-ordination of policy and harmonisation of procedures**, and a Roadmap for closer coordination and harmonisation among EU donors in Vietnam was adopted in February 2005. This Roadmap has been closely followed by MUTRAP III.

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2.1.6 Coherence and EC Value-Added

Although the EU members states and other donors also provide trade-related assistance to Vietnam, MUTRAP III is **able to coordinate with the EU member states and other like-minded donors** on the priorities and focused areas of the trade-related capacity building of the country. For example, **MUTRAP III particularly focuses on the capacity building of various departments** of the MOIT to strengthen the government institutions in trade policy formulation, trade negotiations and trade coordination/consultation. In comparison, the *Beyond WTO Program* - supported by DFID, AusAid and other donors - primarily focuses on **the implementation of the WTO commitments** and the required adjustments for the Vietnamese society.

For the **Competition and Consumer Protection** component, MUTRAP III focuses on the **capacity building of the Competition Council within MOIT**, while other donors are supporting the **competition-related legislation and regulations** and the promotion of a **more competitive business environment in Vietnam**.

Since the **EC is the largest donor in the area of trade-related assistance in Vietnam**, naturally EC is also playing a coordinating role to reflect the EC's leadership and value added. As a result, MUTRAP is closely working with EC-supported regional and country projects as well as with other donors to achieve the goal of donor coordination and aid effectiveness in this particular area.

- 4.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)
- 4.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries
- 4.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

4.3.3.5 Related to I-341:

Summary for each indicator:

- Evidences of synergy between national and regional EC support;

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Indicator 4.3.2: Complementarity of EC-supported regional and national technical assistance and capacity building achieved

As the Evaluation of the European Commission's Co-operation with ASEAN shows, EC assistance to ASEAN during the assessment period has resulted in high-level outputs with regard to the support of regional economic integration and trade initiatives, and there has been tangible progress towards regional trade and economic integration. Both officers at the ASEAN Secretariat and implementing agencies/beneficiaries in ASEAN Member States (interviews were conducted in Malaysia, Thailand and Lao PDR) highly valued the EC's assistance through both APRIS and regional programmes as a most significant contribution to the regional integration process. The general view was that EC assistance has provided capacity building, expertise and TA in areas central to integration; According to interviews, achievements towards the implementation of the ASEAN Free Trade Area, customs harmonisation, standards harmonisation, IP legislation, registration and awareness etc. would have been less tangible without the EC input (1).

In terms of **complementarity between regional and national TA/capacity building needs** and responses to these needs, Vietnam profited in particular from the **Standards programme and ECAP**, the latter of which dealt with Intellectual Property Rights (IPRs). The final evaluation report of the EC-ASEAN Economic Cooperation Programme on Standards, Quality and Conformity Assessment, **presented the Vietnam component as one of the most successful ones of the project.**

According to the evaluation, in **Vietnam's food sector**, the common ASEAN requirements were developed on food safety, food hygiene and labelling. In the **cosmetics sector**, the ASEAN Directive was explained and assistance given for its implementation. In the **pharmaceutical sector**, the ASEAN Technical Common Dossier (ACTD) was adopted. In the EET sector, the ASEAN common regulatory regime was adopted. The food sector benefited from the programme support especially in the **fisheries sector**. Furthermore, a Vietnamese laboratory was selected as reference laboratory for the ASEAN region. Overall, the evaluation concluded that the standards programme was in line with the objectives of ASEAN economic cooperation and to in-country needs (2).

The EC supported two **major IPR projects** over the evaluation period. While ECAP I (1993-1997) focused on industrial IPRs, ECAP II (2000-2007) covered the entire spectrum of IPRs, with particular emphasis on enforcement. All ASEAN states except Burma/Myanmar were partners in ECAP II. With Euro 9 million of total funding, ECAP II was originally foreseen to run until the end of 2006. However regional activities as well as national activities for Malaysia, Cambodia, Lao PDR and Vietnam were extended until the end of 2007. ECAP II specifically responded to the needs of ASEAN countries in their bid to become more active players in the global market, where the use and protection of IPRs is a precondition for competitiveness (3). ECAP gained particular importance within the context of the 2005 EC Strategy for the enforcement of IPRs in third countries, which included ASEAN in the Priority Countries list (4).

Early monitoring reports on Vietnam's national components **of ECAP II did not identify tangible impacts in the form of increased enforcement of IPRs: "the positive impact has been limited to supporting sharing of experiences between IPR professionals** across all ASEAN nations. There is little evidence of ECAP II contributing to establish **any IPR structures or policies at the regional level"** (5).

Yet, the **impact of ECAP national components has improved over time.** The ECAP Final Evaluation report stated on the Vietnam component: **"Legal framework complete and largely TRIPS compliant.** However, legal mechanisms need to be refined, complemented and adapted to new developments in the field of IPRs. Also, implementing legislation need to be reviewed and adapted based on practical experience of implementing the new IP law." On the

enforcement of IP rights the report stresses that courts and official arbitration tribunals were an important part of the enforcement system, yet not used for settling IP cases. **The same was true for the Vietnam International Arbitration Centre (VIAC).** The knowledge about IPR within enforcement agencies was still weak (customs, economic police, market management authorities, inspectorates (6). The current EC approach to cooperation on IPR does not aim at the introduction of new commitments, but instead encourages its partners to adhere to a series of existing (far-reaching) IPR agreements. The EC is also actively promoting adoption of its geographical indications approach (7).

4.4 EQ 4 - To what extent has the Commission’s support contributed to an improved trade policy environment at national level?

4.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

4.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

Summary for each indicator:

- The Small project facility “encouraged a wide participation of civil society actors in the ongoing reform process and fostered the transfer of know-how from European partners” No further information available what policy changes have been introduced due to CSO participation or ho CSO has influenced the reform process
- Both MUTRAP II and III have activities specifically targeting NSA, especially the business community (although the main target group of MUTRAP III is the public). One example of the involvement of the business community in the legislative process is the project “capacity building for Vietnamese Business Association, which commented the White Book”. (see for more explanation I-811)
- Furthermore the ROM report no 2 of MUTRAP III highlights: “Important efforts are undertaken to ensure that the **public at large has access to the project results** and/or is capacitated to use these (via training, workshops, information sessions, the project’s website, ...). As an illustration, in the first semester of 2011, the project published 340 articles (in various forms), 29 news and TV programs were dedicated to its activities and 40 events (workshops, conferences, ...) organised, attended by around 3,000 participants. Some activities such as those implemented with VECITA (the Vietnam E-commerce and ICT) are meant to facilitate the access of Viet Nameese SME to the international markets.”
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Indicator 4.5.9: EU visibility enhanced by its economic dialogue and co-operation

At the project level especially the SPF,(Small Projects Facility) which explicitly aimed to improve the mutual understanding and joint visibility of the EU in Vietnam, and vice-versa, by promoting **civil society dialogue** and facilitating interactions in the priority areas of intervention (see Indicator 4.1.1). A small 10-project sample alone (that was chosen for final evaluation) **engaged upwards of 5000 persons directly and 8000+ indirectly. “With a budget of EUR 2 million over 4 years, the SPF encouraged a wide participation of civil society actors in the ongoing reform process and fostered the transfer of know-how from European partners.** In this context, the SPF supported actions, often with a policy advice orientation, that included a dimension of Vietnamese-European partnership by involving qualified institutions, associations and/or expertise (1). In general terms – and this is almost common sense – “EC visibility is easier to ensure with ‘high level’ projects producing wider outputs (hence with large funds) than with a multitude of small ill-matched/too focused projects” (2).

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Capacity building for Vietnamese Business Association – final project report

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Outcome

Young Business People Association of Ho Chi Minh City (YBA) has **applied knowledge and experiences from training courses and workshops to improve services to their members and focus more on visibility of associations** like improving their newsletter and membership directory. Besides, YBA has also **written some**

project proposals to some donors.

EuroCham could also transfer successfully its **own experience of writing the “White Book”** to VBAs, from training on policy advocacy to collecting recommendations, writing position papers, and editing the booklet on **“Trade policy recommendations from VBAs”**. The booklet **was a great success**, and supplemented by a government roundtable and a workshop on book publication and press conference with the mass media. All official partners and other VBAs highly appreciated EuroCham’s initiative and hope that EuroCham can be a contact point for VBAs to continue this activity in the future.

This activity particularly gave one more **effective channel for VBAs in policy advocacy for their members**. In a roundtable with related agencies in Ministries and Tax policy department of the Ministry of Finance (MOF) had given **feedback that recommendations in printing invoice and electronic invoice have been considered in new Circulars**. It is good signal for VBAs as they have seen that their recommendations were in line with considerations of the MOF. Other ministries had feedback that the recommendations of VBAs should be more specific. The project team also evaluated that this was the first Whitebook, so it can’t have comprehensive recommendations, and there is certainly room for improvement in the following editions. It is a valuable process for VBAs to practice what they have learned and how a process of policy advocacy was implemented.

1,400 Whitebooks have been delivered to 9 official partners and many books have been sent to the Vietnamese Governments for their reference. Some government bodies like Administrative Procedure Control Agency and Justice Ministry, etc proposed EuroCham to send more books for their reference. **The actual influence of this book to policy making need more time to evaluate as the reform in policy of Vietnam can’t be done in short time**. And of course it is always hard to trace government action back to a single activity, such as EuroCham’s Whitebook. But even where impact cannot be proven, the Whitebook was certainly a valuable exercise for VBA’s, and will hopefully be continued in the following years.

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Important efforts are undertaken to ensure that the **public at large has access to the project results** and/or is capacitated to use these (via training, workshops, information sessions, the project's website, ...). As an illustration, in the first semester of 2011, the project published 340 articles (in various forms), 29 news and TV programs were dedicated to its activities and 40 events (workshops, conferences, ...) organised, attended by around 3,000 participants. Some activities such as those implemented with VECITA (the Vietnam E-commerce and ICT) are meant to facilitate the access of Viet Nameese SME to the international markets.

4.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

4.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

4.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

Summary for each indicator:

- **MUTRAP II** supported activities with the aim to adapt legislation to GATS requirements. With the activities SERV-1 and -2, EC provided support to the review and formulation of Vietnam’s legislation in order to adjust to the obligation resulting of the WTO accession and specifically the GATS agreement. The two activities improved the capacities of governmental agencies and the National Assembly to implement the GATS requirement, according to the final report. The SERV-2 activity is assessed less well by the final report, as too many sectors were targeted by the review. The report recommended in the future a “more sector specific approach will be needed

with the involvement of specialists in the particular area”.

- **MUTRAP III:** Activities under MUTRAP III supported Vietnam’s policy development in a post-WTO accession phase, especially in the field of competition policy/anti-dumping measures and non tariff barriers.
- Activities for topics related to competition policy under MUTRAP III included:
 - capacity building and technical assistance for the staff of the Vietnam Competition Council
 - assistance to VCC members to participate in a conference on competition law and policy in Geneva and meetings with the Competition Authority of Sweden and Norway,
 - workshops organised by MUTRAP and the VCCI on legislation governing anti-competitive practices and
 - the dissemination of brochures (2000 copies) introducing the Vietnamese competition law together with one press conference in Hanoi, the publication of approximately eighty articles as well as TV features and interviews

According to the Mid-term review, the activities do not seem to be very fruitful in the sense that Vietnamese authorities do not appear to make meaningful reforms on the ground or tackle effectively problems such as existence of monopolies. However, activities are still going on and the evaluation concludes that it is too early to make an assessment of the results for the activities carried out under the competition component of MUTRAP III. The MTR also highlights that “*if this segment of the component is to meet the evaluation criteria there will need to be the political will on the part of the authorities to tackle monopolies in Vietnam.*”

- Activities for topics related to **anti-dumping measures** under MUTRAP III: This activity aims to **increase awareness of business anti-dumping procedures threatening Vietnamese exporters** and to make business representatives aware of the dangers anti-dumping procedures represent and assist them to follow export strategies which may help them avoid the initiation of such procedures. The activity involved:
 - two workshops to raise awareness of the importance of fully complying with international rules and of the relevance of trade defense instruments (anti-dumping, countervailing measures and safeguards);
 - two seminars involving more than 100 representatives from enterprises in the leather footwear sector;
 - MUTRAP support for LEFASO to create two hotlines operated by two lawyers (one in Hanoi and the other in HCM City) to assist LEFASO, and leather and footwear enterprises, to deal with the formal and substantial requirements of the EU expiry review of anti-dumping measures on footwear with uppers of leather.

According to the MTR the results of this activity was positive: “*Among other things, the workshops helped to clarify the formal and substantial requirements to be met by the Vietnamese enterprises involved in the expiry review procedure. This is a good example of an activity prepared at short notice to overcome an immediate problem, and which had a practical effect. It was relevant to the needs of Vietnam. It was also coherent and it added EC value. It was carried out effectively and efficiently to meet an immediate need, and it is likely to be sustainable.*”

The CSE highlights that Vietnam is since 2009 not any more benefiting from GSP for footwear.

The overall assessment of the final report on the component 5 of MUTRAP III, is the following: “*As for **Component 5 (competition policy/consumer protection)** there has also been some progress made by MUTRAP in creating greater awareness and strengthening the capacity of competition stakeholders but there remain some fundamental institutional and transparency problems in Vietnam that stand in the way of rapid reform. To meet international standards more is required than just training organizations (such as the VCC and VINASTAS), officials and eventually judges. There also has to be the political will on the part of the GoV to tackle institutional barriers to reform, corruptive practices etc, coupled with a determination to promote a culture of greater transparency and accountability.*”

- Regional Project ECAP: Vietnam benefited from EC regional support under the ECAP II project between 2000 and 2007. The aim of the ECAP project was to increase enforcement of **IPRs**. The CSE highlights that : “*ECAP made a significant contribution at least as far as the establishment of a legal framework and TRIPS compliance is concerned*”

Furthermore on IP enforcement, MUTRAP III has financed a few activities, namely **WTO 10 Upgrading capacity of IP law enforcers to overcome sophisticated techniques**) and **WTO 11 (Organize one public awareness raising campaign, with special focus on IP enforcement)**. According to the MTR: “*The evaluators believe, however, that much more should be done since the TRIPS Agreement requires not only civil and administrative sanctions but also the criminalization of some intellectual property violations (for trademark counterfeiting or copyright piracy on a commercial scale – see Art. 61 of the TRIPS Agreement). There appears to be a poor understanding of intellectual property issues on the part of the authorities (including the police and judges), and the public at large, in Vietnam. Although there is already an important project on intellectual property for the region run from Bangkok (the 2008 ECAP Programme) it will be important for MUTRAP III to give some priority to awareness programmes in Vietnam, the development of effective laws and proper enforcement of IPR in the remaining period of the Project to make it easier for Vietnam to observe the TRIPS Agreement – a cornerstone of the WTO system.*”

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MUTRAP's contribution to the implementation of WTO obligations

WTO membership of Vietnam in early 2007 resulted in the commencement of the implementation of WTO obligations in a large number of fields almost simultaneously. The implementation of obligations required the revision and/or modifications of regulations, the change of administrative practices, large scale training of officials and the preparation of many WTO notifications.

(..)

the major reports **under SERV-1 and SERV-2** within a very short period of time processed a very large number of Vietnamese legal regulations related to the sectors where Vietnam undertook specific commitments in the light of these commitments, explained to the main stakeholders the meaning of WTO commitments and identified gaps in regulation and practices.

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SERV-1: I. Implication assessment of Vietnam's GATS obligations and Commitments

Aim: The objective of this activity is to inform relevant ministries, agencies and stakeholders on the scope and content of the **GATS obligations** and commitments Vietnam had undertaken upon its WTO accession and to identify, in a broad manner, those areas of domestic legislation, regulation and other Government measures that will be affected by those obligations and commitments. The output of the activity is planned to serve as the initial step to **promulgate subsequent amendments of specific legal and regulatory instruments** for implementing GATS obligations and commitments and further liberalization of Vietnam's services markets.

Assessment: The output of the activity satisfied the requirements provided in the TOR in respect of the coverage of the programme, but due to the large numbers sectors and subsectors addressed the **analysis undertaken by EU and local experts could not be deep enough to highlight all aspects where further measures were needed.** The final report is still highly informative regarding the present and updated legislation in Vietnam regulating the service sectors. The relevant stakeholders (governmental officials, business operators, business associations) benefited from the technical issues described in the final report and discussed during the workshop. Some legal shortcomings that have been identified in the report are now the object of an intense legislative activity of both the Government of Vietnam and the National Assembly. The final report of SERV-1 activity has been the starting point for the implementation of SERV-2 activity focused on the legislative drafting.

The in depth discussions between local and European experts helped in clarifying the main problems related to the implementation of GATS in the national legal system. The experiences of the EC and of its member States in implementing the GATS obligations provide important examples of successful methodologies: this enhanced the awareness of both local experts and the relevant stakeholders regarding the pros and cons of each specific technique of implementation. The final report as well as the workshop contributed to disseminate an in depth knowledge on the legal and regulatory effects of GATS on the national discipline for services. The **activity improved the capacity of government agencies as well as that of the National Assembly** involved in the regulatory and legislative steps necessary for the correct implementation of the GATS commitments.

SERV-2: Assistance to the Ministry of Justice and other relevant Ministries and Agencies to scrutinise national legislation against GATS obligations and commitments

Aim: The objective of this activity was to identify **those parts of domestic legislation and regulations in the field of services requiring modifications/amendments** with of view of (i) implementing Vietnam's GATS obligations and commitments and (ii) assisting the Vietnam's Ministry of Justice and other stakeholders in the public and private sector to prepare the necessary legislative and regulatory steps. The project even aimed to enhance the understanding of Vietnam's WTO accession conditions in the field of services among the institutions and the policy-makers involved and to promote a closer coordination and cooperation in the legislative process between the Government and the National Assembly. In the wider context of Vietnam's economic reform process, this project served as an initial step to further liberalization of Vietnam's services markets, that is an explicit objective of the Government's overall strategy for developing the country's service sector. This activity is considered as

an organic follow-up to SERV-1: the two activities are closed interrelated.

Assessment: The activity, due to the very large coverage of the research required could not fully satisfy the requirements of the TORs. The implementation of the activity has highlighted that such comprehensive mandates are difficult to implement. In future TRTA in the area a more sector specific approach will be needed with the involvement of specialists in the particular area. Nevertheless, the recommendations listed in the last part of the report provide guidance for the Ministries involved and for the National Assembly on the future legislative steps to be undertaken in order continue the proper implementation of GATS obligations and commitments.

The discussions focused on the different options available for the implementation of GATS rules into the national legal system contributed to the clarification of the general issue regarding the legal effects of the international treaties into the national legal system. This knowledge will be helpful in the future, every time there will be a need to implement an international treaty into the domestic legal system. The methodology adopted by the experts for the identification of the gaps in the Vietnamese legislation on trade in services can be reproduced in the future for other international agreements, especially for those which focus on international trade issues. The in depth analysis of the methods utilized by other WTO members for implementing international obligations on trade in services raised the awareness of Vietnamese stakeholders of the importance of correctly incorporate those obligations in the national legal order.

Conclusion and suggestions

As pointed out for the activity SERV-1, SERV-2 has adopted a **legalistic approach**, aimed to **verify whether GATS obligations and commitments have been properly implemented into the Vietnamese legal system**. The **gaps identified** should be addressed by the respective agencies within the timeframe set by the GATS and Vietnam's specific commitments.

In the medium term it is necessary to redefine the general strategy regarding the legal framework for trade in services; in particular, it should be important to identify the strategy regarding the participation of private or State companies in the provision of the services of general interest (education, transport, health services, electricity, water, etc.). This could be an important activity for MUTRAP III, where the European experts could illustrate the experiences of some of the EC members. MUTRAP III could also provide support for clarifying the best solutions for improving the efficiency and the fair competition in some services of crucial importance for a developing country, such as the financial, the communication and the distribution services.

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Another completed activity is **WTO-5** (*Support to MOIT to improve the quality of Vietnamese trade related laws and making them fully compatible with international obligations*). This activity – which involved, *inter alia*, workshops and support for subscription to a database (www.worldtradelaw.net) for 2009-2012) and the acquisition of WTO Appellate Body Reports from 1995 to 2008 -- provided support to the MOIT (Legislation Department), the MoJ, the National Assembly Office and line ministries in identifying inconsistencies that still exist between national legislation (in particular, the Commercial Law, the Competition Law and the Ordinance on Trade Defense Measures), with recommendations on the best way to overcome the inconsistencies. Four DMI and six PTF experts prepared a report entitled *Building capacities in the MOIT to improve the quality of trade related laws and make them compatible with WTO obligations*. The report is based on an analysis of the relevant Vietnamese legislation and case-laws and on a number of meetings with relevant stakeholders and experts. The methodology proposed in the report could be applied to all other domestic laws that are incompatible with WTO obligations, and this would assist in creating a more predictable business environment. The results of the activity have been presented in two workshops (Hanoi, 16/11/09) and HCM City (17/11/09), which involved the participation of around 80 persons in each workshop. The GoV is now considering seeking from the National Assembly the necessary revision of the law, following in large part the suggestions provided by the DMI and PTF experts.

The methodology proposed in the report could be applied to all other domestic laws that are incompatible with WTO obligations, and this would assist in creating a more predictable business environment. The results of the activity have been presented in two workshops (Hanoi, 16/11/09) and HCM City (17/11/09), which involved the participation of around 80 persons in each workshop. The GoV is now considering seeking from the National Assembly the necessary revision of the law, following in large part the suggestions provided by the DMI and PTF experts. One of the important contributions of MUTRAP III was to bring the four Central Agencies (i.e. Party Office, Government Office, National Assembly Office and President Office) together to organise workshops and seminars on economic integration issues. This activity was quite effective in educating the Vietnamese senior

officials and top decision makers about the changing trading environment after Vietnam joined the WTO. For example, due to the trade deficit situation in Vietnam, some advised the Government of Vietnam to use the Balance of Payment provision in the WTO to impose import barriers. As a member of the WTO, Vietnam could legally use the provision. However, this would have seriously damaged the reputation of Vietnam in the world trading system.

MUTRAP III has carried out the study and **analyzed the trade deficit situation**, particularly the Vietnam-China trade imbalance, and finally concluded that Vietnam's trade deficit situation was due to many factors and Vietnam should make concerted efforts to increase its competitiveness rather than use the balance of payment provision in the WTO. The study on the non-market economy status and the two studies on the SPS and TBT issues in Vietnam were also well received by the Vietnamese beneficiaries. After Vietnam joined the WTO, many developed countries, including the European Union and the United States, continue treating Vietnam as a non-market economy when they apply their anti-dumping laws to Vietnamese exports. A surrogate country is used for the anti-dumping investigations on Vietnamese anti-dumping cases, resulting in higher dumping margins. This is not fair for Vietnamese exporters. The study has helped the Vietnamese exporters to understand better the antidumping regimes of many developed countries and also taught them how to defend their trade interest when they are engaged in an antidumping case.

The **SPS and TBT studies** have highlighted the technical issues in these specialized fields. They also helped to strengthen the Vietnamese capacity in dealing with the SPS and TBT inquiry points and notification requirements. The Vietnam TBT and SPS Offices highly appreciated the assistance from MUTRAP III in their respective areas.

There have been few activities so far in regard to the intellectual property items of this component – **WTO 10 (Upgrading capacity of IP law enforcers to overcome sophisticated techniques)** and **WTO 11 (Organize one public awareness raising campaign, with special focus on IP enforcement)**. The latter is still in the planning stage. A Decree had been drafted applying administrative sanctions against counterfeit goods. A handbook on the Decree is also being planned, as are workshops and a website on genuine/counterfeit products, a study tour to Europe and a public awareness-raising campaign, with a special focus on IP enforcement. Further work is still required on the draft Decree, particularly in regard to draft Art. 4. The view expressed by the National Office of Intellectual Property (Mr Thanh) to the T/L (at a meeting held on 2 June 2010) was that the Vietnamese community's understanding of counterfeit issues was very low, and that MUTRAP should focus in the future on civil actions and the training of judges in civil courts. The evaluators believe, however, that much more should be done since the TRIPS Agreement requires not only civil and administrative sanctions but also the criminalization of some intellectual property violations (for trademark counterfeiting or copyright piracy on a commercial scale – see Art. 61 of the TRIPS Agreement). There appears to be a poor understanding of intellectual property issues on the part of the authorities (including the police and judges), and the public at large, in Vietnam. Although there is already an important project on intellectual property for the region run from Bangkok (the 2008 ECAP Programme) it will be important for MUTRAP III to give some priority to awareness programmes in Vietnam, the development of effective laws and proper enforcement of IPR in the remaining period of the Project to make it easier for Vietnam to observe the TRIPS Agreement – a cornerstone of the WTO system.

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Component 5. The activities undertaken under the competition segment of this component were well-targeted, coherent and complemented each other but all this is overshadowed by the fact that the competition law is not applied evenly in regard to all businesses. The MUTRAP III activities in regard to consumer protection have been relevant, coherent and have added value but questions remain as to whether the draft law will be further amended to effectively protect the interests of consumers. The activities undertaken in regard to anti-dumping measures were relevant to the (urgent) need for action at the time. They were coherent, added value, were carried out effectively and efficiently, and are likely to be sustainable.

2.2.2.5 Component 5: Competition Policy Of the seven activities that were planned under this component, two have been completed (COMP-3, COMP-5); four are ongoing and one (COMP-6: One public awareness-raising campaign with special focus on consumer protection) is not due to begin until the fourth quarter of 2010. The assessment of the results of this component will be examined under each of the three topics dealt with under the component: **competition policy**; consumer protection and **anti-dumping measures**.

Competition Policy: The Vietnamese Law on Competition is one of the most important legal instruments that underpins the Vietnamese economy. Although it entered into force in July 2005, awareness and understanding of that legislation is limited to a small circle of people and enterprises. Since 2005 there have only been a few anti-competitive cases heard and investigated in Vietnam, where effective and competitive business practices remain weak. Activities for this topic under MUTRAP III **included capacity building and technical assistance for the staff of the Vietnam Competition Council, assistance to VCC members to participate in a conference on competition law and policy in Geneva** and meetings with the Competition Authority of Sweden and Norway, workshops organised by MUTRAP and the VCCI on legislation **governing anti-competitive practices and the dissemination of brochures (2000 copies)** introducing the Vietnamese competition law together with one press conference in Hanoi, the publication of approximately eighty articles as well as TV features and interviews. Among

other things, MUTRAP also assisted VCC in organising an international conference in HCM City (18/12/2009) on 'Enforcement of Competition Law in ASEAN countries and International Practice', with the participation of the French Competition Council, highranking competition officials and experts from ASEAN countries and relevant agencies in Vietnam. The activities target not only officials of the VCC, the MOIT, relevant ministries, universities, consumer associations, and private sector representatives but also judges and the VCCI International Arbitration Centre.

The activities were coherent and complemented each other well, combining as they did an international conference with the participation of ASEAN officials, workshops, close interaction with French, Swiss, Swedish and Norwegian competition experts, and the production and wide dissemination of brochures, the acquisition of an encyclopedia on competition for reference and study purposes as well as TV exposure to competition issues. Not only did VCC staff members and Vietnamese officials participate in the activities but also judges, who will have a major responsibility in enforcing the Competition Law, attended the events.

Despite the best efforts of the MUTRAP III and the DMI/PTF consultants, the **Vietnamese authorities do not appear to be making meaningful reforms on the ground**. The evaluators were informed that the cost of medicines, petrol and milk remain very high in Vietnam because of the existence of monopolies in these areas, and it appears that the **competition authorities were doing very little to tackle the problem**. The evaluators were also informed by a DMI expert of the problems she had encountered in obtaining from the Vietnamese authorities access to relevant files, such as those pertaining to the milk industry. From comments received, it appears that not a lot of support was provided by PTF experts either so far. It is, however, too early to make an assessment of the results for the competition segment of this component. But if this segment of the component is to meet the evaluation criteria there will need to be the political will on the part of the authorities to tackle monopolies in Vietnam.

Anti-dumping measures: This activity aims to **increase awareness of business anti-dumping procedures threatening** Vietnamese exporters and to make business representatives aware of the dangers anti-dumping procedures represent and assist them to follow export strategies which may help them avoid the initiation of such procedures. The activity involved: two workshops (one in Hanoi and the other in HCM City, on 10/10/08 and 16/12/08 respectively) to raise awareness of the importance of fully complying with international rules and of the relevance of trade defense instruments (anti-dumping, countervailing measures and safeguards); two seminars involving more than 100 representatives from enterprises in the leather footwear sector; and MUTRAP support for LEFASO to create two hotlines operated by two lawyers (one in Hanoi and the other in HCM City) to assist LEFASO, and leather and footwear enterprises, to deal with the formal and substantial requirements of the EU expiry review of anti-dumping measures on footwear with uppers of leather. Among other things, the workshops helped to clarify the formal and substantial requirements to be met by the Vietnamese enterprises involved in the expiry review procedure. This is a good example of an activity prepared at short notice to overcome an immediate problem, and which had a practical effect. It was relevant to the needs of Vietnam. It was also coherent and it added EC value. It was carried out effectively and efficiently to meet an immediate need, and it is likely to be sustainable.

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The most important impact of MUTRAP III is the trade-related capacity building which was embedded in the program design. The targeted beneficiaries have enhanced their capacities substantially. Many trade officials were trained through various MUTRAP III activities. The international experts have transferred their skills and knowledge to the Vietnamese experts, particularly when undertaking joint studies. Training activities have targeted not only junior and middle level officials but also high ranking officials of four central agencies – the Office of the Government, National Assembly, State Presidents Office and the Central Party Office – all of which play a key role in the formulation of government policy options.

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In general terms, one may confidently conclude that the many activities undertaken under **Components 1 and 2** have led to a number of measurable and beneficial results – such as better preparation for international negotiations, improved understanding of SPS/TBT issues, and strengthened capacities in the MOIT and Vietnamese universities of trade policy and trade law.

As for **Component 5** (competition policy/consumer protection) there has also been some progress made by MUTRAP in creating greater awareness and strengthening the capacity of competition stakeholders but there remain some fundamental institutional and transparency problems in Vietnam that stand in the way of rapid reform. To meet international standards more is required than just training organizations (such as the VCC and VINASTAS), officials and eventually judges. There also has to be the political will on the part of the GoV to tackle institutional barriers to reform, corruptive practices etc, coupled with a determination to promote a culture of greater transparency and accountability.

It appears that the constraints affecting the effective implementation of MUTRAP III in Vietnam have **more to do with broader political and economic transitional issues in Vietnam than with any defect in the project design**, the relevance of activities, the effectiveness and efficiency with which they have been pursued, or the quality of the EUD, the MUTRAP staff and experts. As has been pointed in chapter 2 (Key Findings) the evaluation criteria are being met and the achievements of MUTRAP so far have met expectations, and even

exceeded them in some areas – for example, the very impressive promotional campaign. But like any other project, MUTRAP is constrained by the political, economic and cultural context in which it has to operate.

The successes of MUTRAP III are manifold. As pointed out in Chapter 2, the results of the Evaluation Questions (Project design, Relevance to the needs and priorities of the beneficiaries, Coherence and EC Value-Added, Effectiveness, Efficiency, Impact and Sustainability) are very positive. This assessment is based on the discussions the evaluators have had with over 60 stakeholders in Hanoi, the answers to the Evaluation Questionnaire and their own independent research. There has been good progress also in achieving the five results articulated in the ToRs, but the progress has been more tangible for some components than for others for the reasons already explained. On present indications the project will complete its mandate on time and will have spent the budget allocated to it.

CSE

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Indicator 4.3.2: Complementarity of EC-supported regional and national technical assistance and capacity building achieved

The EC supported two **major IPR projects** over the evaluation period. While ECAP I (1993-1997) focused on industrial IPRs, ECAP II (2000-2007) covered the entire spectrum of IPRs, with particular emphasis on enforcement. All ASEAN states except Burma/Myanmar were partners in ECAP II. With Euro 9 million of total funding, ECAP II was originally foreseen to run until the end of 2006. However regional activities as well as national activities for Malaysia, Cambodia, Lao PDR and Vietnam were extended until the end of 2007. ECAP II specifically responded to the needs of ASEAN countries in their bid to become more active players in the global market, where the use and protection of IPRs is a precondition for competitiveness (3). ECAP gained particular importance within the context of the 2005 EC Strategy for the enforcement of IPRs in third countries, which included ASEAN in the Priority Countries list (4).

Early monitoring reports on Vietnam's national components **of ECAP II did not identify tangible impacts in the form of increased enforcement of IPRs**: “the positive impact has been limited to supporting sharing of experiences between IPR professionals across all ASEAN nations. There is little evidence of ECAP II contributing to establish any IPR structures or policies at the regional level” (5).

Yet, the impact of ECAP national components has improved over time. The ECAP Final Evaluation report stated on the Vietnam component: “**Legal framework complete and largely TRIPS compliant.** However, legal mechanisms need to be refined, complemented and adapted to new developments in the field of IPRs. Also, implementing legislation need to be reviewed and adapted based on practical experience of implementing the new IP law.” On the enforcement of IP rights the report stresses that courts and official arbitration tribunals were an important part of the enforcement system, yet not used for settling IP cases. **The same was true for the Vietnam International Arbitration Centre (VIAC).** The knowledge about IPR within enforcement agencies was still weak (customs, economic police, market management authorities, inspectorates (6). The current EC approach to cooperation on IPR does not aim at the introduction of new commitments, but instead encourages its partners to adhere to a series of existing (far-reaching) IPR agreements. The EC is also actively promoting adoption of its geographical indications approach (7).

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Significant changes in IPRs and Standards and Quality Assurance administration and enforcement achieved

Vietnam's rapid integration into the regional and global economic environment has been accompanied by both challenges and opportunities. Among them are the need for significant improvements to the country's IPR regimes – **ECAP made a significant contribution at least as far as the establishment of a legal framework and TRIPS compliance is concerned (Indicator 4.5.6) –p. 113**

Violations of intellectual property rights are widespread, and IP protection is generally regarded as inadequate. Many illegal products are marketed (fake products as well as deceptive packaging) and the

fight against them has been rather inefficient so far. At the request of the USA trade association PhRMA, Vietnam has been placed on the USTR Special 301 watch list for several consecutive years now. With WTO accession and with the acceptance of the TRIPs agreement, steps have been taken towards the implementation of WTO principles. Most notably, a new IP law has been in force since 1 June 2006. With a few shortcomings, the law is basically up to international standards but its enforcement is still poor and penalties have not been efficiently deterrent (1).

The EC supported two major IPR projects over the evaluation period. While ECAP I (1993-1997) focused on industrial property rights, **ECAP II (2000-2007) covered the entire spectrum of IPRs, with particular emphasis on enforcement.** The **legal framework in Vietnam is now complete and largely TRIPs compliant** but enforcement is still inadequate (see also Indicator 4.3.2.) (2).

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I. 4.5.4. Tariff and non tariff barriers reduced and other EU-Vietnam trade issues resolved

At the same time, any assessment of tariff and non tariff barriers and EU-Vietnam trade issues is not straightforward. On the one hand, market access for European businesses improved significantly due to the favourable WTO trade regime to which Vietnam committed itself. Since Vietnam's WTO accession, concerns related to a small number of **tariff and non-tariff issues** have surfaced which, however, do not seem to have had a sustained negative impact on bilateral trade relations. Vietnam complained about the **removal of the country's footwear sector from the EU's Generalised System of Preferences (GSP)** which took effect on 1 January 2009, and has opposed the EU anti-dumping duties on leather footwear. The latter measure is currently under review (Indicator 4.5.4).

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The assessment of this indicator is not straightforward. On the one hand, bilateral trade found its legal framework in the 2005 "Agreement between the European Community and the Government of the Socialist Republic of Vietnam on market access" provided and paved the way for Vietnam's WTO membership (1). The Agreement was replaced by the WTO regime when Vietnam accessed the organisation in January 2007. On the other hand however, since then concerns related to a small number of tariff and non-tariff issues have surfaced which, however, do not seem to have a sustained negative impact on bilateral trade relations. The European side reported the emergence of some of the first difficulties of Vietnam regarding WTO implementation. Some of these were solved in 2008 but some remain open (2).

Vietnam on its part complained about the removal of the country's footwear sector from the EU's Generalised System of Preferences (GSP) on 1 January 2009. GSP was set up in 1971, providing developing countries with unilateral tariff preferences and a duty free quota regime. According to the EC, if GSP-covered import from one country represent 15% of all imports into the EU from all GSP beneficiaries, that country's sector is competitive enough not to need preferential treatment. In order to encourage diversification and not penalise over-dependence, the EU foresees that sectors that meet the 15% threshold shall continue enjoying GSP benefits if they constitute at least 50% of all GSP imports originating from the country in question. Vietnam's GSP-covered exports of shoes represented an average of 19% of all EU GSP shoe imports during 2004-2006. Furthermore, GSP-covered footwear represents an average of 49.1% of Vietnam's GSP-covered exports, according to figures presented by the EC (3). Vietnam has also called on the EC to end the EU anti-dumping duties of 16.8% on leather footwear, "denouncing the 'hard' impact it has on local companies and employment". The anti-dumping measures were introduced by the EU in 2006 to combat an influx of leather shoes from Vietnam and China, where the EC said manufacturers were getting unfair state aid. The measure is currently under review.

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Institutional reform

While MUTRAP II did not address institutional reform directly, **some activities necessitated changes**

in administrative procedures and in some case in institutional arrangements in order to implement the activities or to implement newly acquired knowledge and capacity. The main activities where these changes were clearly required were **SER 5, HOR 3, TBT/SPS 1, 2 and 3,** and HOR 10. Under SER 5 the CSO who are the main beneficiary changed their administrative procedures to incorporate the systematic collecting of data on trade in services including the carrying out of industry sector surveys to collect the data. Under HOR 3 some universities introduced a new course focused on international law and WTO issues. This required change in their administrative procedures. The TBT/SPS activities required the creation of new institutional arrangements and separate departments to manage the Enquiry points that were set up in MARD and STAMEQ. New administrative procedures were developed to operate and manage the Enquiry points. The evaluation team concluded that this was a very successful outcome in the context of institutional reform although, as we have already mentioned in section 2.2.1 the effectiveness of locating a network for a permanent and information-exchange between Government agencies and business community in STAMEQ is questionable given the highly technical nature of its work.

4.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

4.4.2.4 I 4.2.4 Changes of ‘customer’ satisfaction related to the output produced by trade-related public institutions

4.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

4.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations

Summary for each indicator:

- **MUTRAP II** financed several seminars and trainings on trade negotiation techniques and dispute settlement procedures (HOR 4, 5, 6). Furthermore the Ministry of Trade received support to assume the coordinating role in trans-regional EU-ASEAN trade initiatives (TREATI) HOR 10. According to the final report of the MUTRAP project these activities helped to raise awareness and knowledge of trade policy and WTO rules and procedures.

- The 2nd objective of MUTRAP was *“Increased knowledge and networking on international trade and WTO issues among the government, the private sector, training and research institutions and other public and private stakeholders and facilitating Vietnamese businesses and society at large to fully take advantage of WTO membership”*.

According to the final report: *“MUTRAP II in its activities was mainly focusing on the government sector. The strong capacity building implemented by the Project can be indicated by some facts. MUTRAP II organized 79 workshops/training courses and 21 policy networking sessions in 22 provinces and cities. The total number of participants at MUTRAP II events reached 12,000, half of them were government officials. About 30 per cent of the participants were from the business sector, the rest from academia, mass media and international organizations. The proportion of female participants was 41 per cent. The Project organized 20 short term training courses in Vietnam under several programmes, while the number of longer training courses abroad was three; two study tours was organized for government officials in WTO matters. Under HOR-6, HOR-9 and HOR-10, MUTRAP II financed 33 government officials to participate in meetings organized by the WTO, ASEAN or the EU which greatly enhanced their familiarity with WTO and other trade negotiations.”*

- The 4th objective of MUTRAP was: *“Project Result 4: Increased government capacity to further integrate effectively into the regional trade related agreements such as AFTA, ASEM, ASEAN plus dialogue partners.”*
- According to the final report: *A number of MUTRAP activities (such as HOR-10 and HOR-11) directly addressed issues related to regional trade agreements. In addition, the regional approach was included in many other programmes. All training activities covered the specificities of regional trade agreements. Regional aspects received attention in the design of many programmes (SERV-3, HOR-2, HOR-4, HOR-5, HOR-7, HOR-9). The reports addressed the experience of China and other countries in the region. The restricted involvement of regional experts, however, lowered the level of ambitions in this field. “*

- **MUTRAP III:** Trade negotiation were supported in the Component 3 (increased capacity regarding negotiation of regional and bilateral trade arrangements) and to a lesser extent also in the Components 1 (MOIT coordination for implementation of WTO commitments) and 2 (coordination with the private sector, training and research institutions).

According to the MTR, results of **Components 1 and 2** have been achieved and led to a number of measurable and beneficial results – such as better preparation for international negotiations. Further, the MTR concluded: *“Component 3 involves impact studies of all FTAs which Vietnam is negotiating and/or implementing, but the quality of these studies is affected by the lack of accurate and current economic data in Vietnam. On the other hand, the training of Vietnamese trade counsellors in Europe has helped them to understand better the WTO negotiating process and improve their skills as negotiators and trade and investment promoters in their country of posting. (However), the results of this component are limited compared to those of Components 1 and 2.”*

The assessment of performance for Component 1 is as followed in the MTR: *“Component 1 has strengthened research and analytical skills among officials involved in trade issues. The various activities undertaken have been effective in educating Vietnamese senior officials and top decision-makers about the changing trading environment, following accession to the WTO. Among other things, they have also improved the capacity of Vietnamese negotiators at international conferences and strengthened capacity in dealing with SPS and TBT inquiry points and notification requirements.”*

Activities financed under MUTRAP III: **WTO-2** (*Briefing of high-level decision makers and negotiators on developments in international trading system*)

- **Component 3:** Component 3 has focused on the impact studies of FTAs on Vietnam which are particularly relevant to Vietnam. (Further) capacity building efforts under the component are effective, particularly those relating to commercial counsellors posted in Europe.

According to the MTR, trained Vietnamese officers *“have become much better and effective trade negotiators and trade and investment promoters in their country of posting in the EU. (..)*

The capacity building initiatives under this component are expected to have a long-term impact on the participating ministries and agencies, particularly MOIT. It is anticipated the strengthened negotiating skills and research capacity will go a long way to support the WTO and FTA trade negotiations and policy analysis in Vietnam. However, it is difficult to quantify this impact and perhaps it will take years to see the positive impact of the capacity building initiatives. Many Vietnamese stakeholders have confirmed that the sustainability of this component is quite high as Vietnam will stay on course in regard to trade liberalization and regional trade negotiations. The FTA negotiations will be an important vehicle to achieve the policy goal. The institutions that have benefited from the component are likely to be sustainable as they are the government agencies for regional trade negotiations and studies. But it is crucial to strengthen the national trade-related capacity (including the business community and universities) in order to make it more sustainable.

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Final project report

Short description and assessment of activities related to trade negotiation (p. 64-88)

HOR-4: Training on trade negotiation techniques and skills

Aim: Building capacity and increase the proficiency of Government officials and business representatives in relation to **trade negotiation skills**, including knowledge on specific trade themes (i.e. agriculture, tariffs, services, TRIPs, etc.) to enable them to participate more efficiently and effectively in international trade and WTO negotiations. The specific goal of the task was to **organize training courses on negotiation techniques** and skills for participants to equip them with in-depth knowledge on trade negotiations as well as to help them to better deal with WTO and other trade liberalization negotiations.

Assessment: The activity fully satisfied the requirements of TOR. The content and the methodology of the advanced course was and met the requirements of the participants. The methodology, based on both theoretical and practical methods stimulated the discussions and the exchange of information among participants. The participants expressed full satisfaction about the quality of speakers as well for the content of the courses The training received by Vietnamese officials and university professors strengthened the capacity of both Government officials and other stakeholders. **The negotiating techniques taught increased Government capacity to participate in the WTO negotiating bodies as well in the Doha Round; and also increased the government capacity to negotiate regional trade agreements.**

Activity HOR-5: “Training on WTO dispute settlement procedures

Aim: The. The more specific objectives of the activity were to provide comprehensive information and **knowledge on the WTO dispute settlement mechanisms**, on its practices and procedural aspects, and on the strategy to ensure that a developing country like Vietnam may fully take advantage of these mechanisms and instruments once becoming a full WTO Member. .

Assessment: It appears that Activity HOR-5 was a **great success**. The extremely high turn-out of participants to the workshops and trainees allowed MUTRAP to reach-out to many of the key constituencies that will be instrumental for Vietnam to deal with future WTO dispute settlement procedures. The participation of WTO officials was highly appreciated by the officials within Vietnam's Competition Administration Department.

In general, this **activity enhanced the awareness and knowledge of WTO dispute settlement rules and procedures**. It contributed to build-up the **capacity of Vietnam's lawyers, arbitrators, judges, businesses and other experts** in relation to WTO dispute settlement mechanisms.

HOR-6: Raise awareness on regional trade and WTO issues, including the Doha Development Agenda (DDA)

Aim: The broad objective of this activity was to raise awareness on regional trade and WTO issues, including Doha Development Agenda (DDA). Specific objective was to assist Vietnam to **follow the development in the DDA negotiations and prepare to undertake commitments** thereof, keep track on the progresses made by WTO Members in Doha negotiations to **prepare for an efficient participation in multilateral negotiation** after Vietnam's accession to the WTO.

Assessment: It provided to help MOT and later the MOIT to **work out Vietnam's initial position in the DDA negotiations as a participant with full rights**. The thought provoking events organized by MUTRAP and the analytical papers prepared by the EU and national consultants assisted the Vietnamese negotiators to work out positions in different areas which were received favourably by the main participants of the round. The events in Hanoi and HCM City attracted great attention and participation from stakeholders. The presentations by Ambassador Markus Cornaro, and Deputy Trade Minister Nguyen Thi Kim Ngan and Mr. Tran Quoc Khanh, Director General of MOT, provided thoughtful insights into the Vietnam's WTO negotiation process and Vietnam's position about the DDA. About 80 % of participants highly evaluated the workshop. However, they also recommended that the agenda in future similar activities **should be focused more on key issues related to doing business and policy in Vietnam rather than on some details which might not highly relevant for the country**. The participation of a large number of Vietnamese officials at DDA and other WTO meetings in the accession stage was also a contributory factor to the **deepening of the knowledge of Vietnamese trade policy experts who later participated in the DDA negotiations**.

HOR-10: Support the Ministry of Trade to assume the coordinating role in trans-regional EU-ASEAN trade initiatives (TREATI).

Aim: Fostering ASEAN-Vietnam relationship and fostering regional integration of the country. Specifically, the activity means to **support the Ministry of Trade to assume the coordinating role in the Trans-regional EU-ASEAN Trade Initiatives (TREATI)**, which includes taking part in events organized in the framework of the TREATI and providing technical assistance for designing suitable work programs for TREATI under the coordination of Vietnam.

Assessment: The activity has been useful in **exploring the future role of TREATI in supporting the negotiation and implementation of a FTA between ASEAN and EU**; moreover, the activity increased the **awareness of Ministry of Industry and Trade in performing its coordinating role** in the Trans-regional EU-ASEAN Trade Initiatives. Particularly relevant was the participation of Governmental Officials in TREATI-related seminars (financed by MUTRAP). The recommendations provided in the final report will be helpful for fine-tuning and revitalize TREATI activities (no workshops organized since November 2006) and they have been provided in the right time, as ASEAN-EU official negotiations were launched in May 2007

The activity strengthened the capacity of the Government, and in particular of Ministry of Industry and Trade, to face the challenges from ASEAN –EU FTA negotiations recently launched and to further integrate into the regional trade related arrangements. In particular the **identification of some areas of particular interests that should be at the center of future negotiations has increased the awareness of MOIT officials** that has the task of coordinating TREATI activities supportive of four ASEAN priority sectors (agriculture, electronics, fisheries and wood-based products).

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Project Result 3: Increased knowledge and networking on international trade and WTO issues among the government, the private sector, training and research institutions and other public and private stakeholders and facilitating Vietnamese businesses and society at large to fully take advantage of WTO membership.

Performance assessment: MUTRAP II in its activities was mainly focusing on the government sector.

The strong capacity building implemented by the Project can be indicated by some facts. MUTRAP II organized 79 workshops/training courses and 21 policy networking sessions in 22 provinces and cities. The total number of participants at MUTRAP II events reached 12,000, half of them were government officials. About 30 per cent of the participants were from the business sector, the rest from academia, mass media and international organizations. The proportion of female participants was 41 per cent.

The Project organized 20 short term training courses in Vietnam under several programmes, while the number of longer training courses abroad was three; two study tours was organized for government officials in WTO matters. **Under HOR-6, HOR-9 and HOR-10**, MUTRAP II financed 33 government officials to participate in **meetings organized by the WTO, ASEAN or the EU which greatly enhanced their familiarity with WTO and other trade negotiations**. At the end of most MUTRAP events participants were asked to evaluate the programme. **About 70 percent of participants evaluated MUTRAP events very positively**. The Project produced 40 major technical reports and 10 publications. It published monthly newsletters and 10 Doha Quarterly Bulletins. All reports have been submitted to the interested stakeholders, while the publications were widely distributed. Most MUTRAP documents are accessible for the public on the Project's website (www.mutrap.org.vn). In the Vietnam press about 270 articles have been published dealing with MUTRAP's activities. In addition, there were many radio interviews with EU and national experts and the Project Director. The number of television programmes with the contribution of MUTRAP was about 20.

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Project Result 4: Increased government capacity to further integrate effectively into the regional trade related agreements such as AFTA, ASEM, ASEAN plus dialogue partners.

Performance assessment: A number of MUTRAP activities (such as **HOR-10 and HOR-11**) directly addressed issues related to **regional trade agreements**. In addition, the regional approach was included in many other programmes. All training activities covered the specificities of regional trade agreements. Trainings on **negotiating techniques**, for example, were including in their programmes **aspects of negotiating regional bilateral and regional trade agreements**. Regional aspects received attention in the design of many programmes (**SERV-3, HOR-2, HOR-4, HOR-5, HOR-7, HOR-9**). The reports addressed the experience of China and other countries in the region. The **restricted involvement of regional experts, however, lowered the level of ambitions in this field**.

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Good progress has been made in achieving the results, particularly in regard to Components 1 (MOIT coordination for implementation of WTO commitments), 2 (coordination with the private sector, training and research institutions) and (to a lesser extent) Component 3 (increased capacity regarding negotiation of regional and bilateral trade arrangements). The services sector (Component 4) has not been given priority by the GoV compared to agricultural and industrial policies. There remains a number of impediments to services, including a scarcity of skilled human resources and a low level of entrepreneurship. In regard to Component 5, progress in developing an effective competition policy and a viable consumer protection law has been slow;

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In general terms, one may confidently conclude that the many activities undertaken under **Components 1 and 2** have led to a number of measurable and beneficial results – such as better preparation for international negotiations, improved understanding of SPS/TBT issues, and strengthened capacities in the MOIT and Vietnamese universities of trade policy and trade law.

Component 3 (negotiation and coordination of regional and bilateral trade related arrangements) involves impact studies of all FTAs which Vietnam is negotiating and/or implementing, but the quality of these studies is affected by the lack of accurate and current economic data in Vietnam. On the other hand, the training of Vietnamese trade counsellors in Europe has helped them to understand better the WTO negotiating process and improve their skills as negotiators and trade and investment promoters in their country of posting. While the results of this component are limited compared to those of Components 1 and

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2.2.2.1 Component 1: Coordination and implementation of WTO commitments

Component 1 has strengthened research and analytical skills among officials involved in trade issues. The various activities undertaken have been effective in educating Vietnamese senior officials and top decision-makers about the changing trading environment, following accession to the WTO. Among other things, they have also improved the capacity of Vietnamese negotiators at international conferences and strengthened capacity in dealing with SPS and TBT inquiry points and notification requirements.

Generally speaking, the 12 activities under the WTO Component are highly relevant to the needs and priorities of Vietnam. Vietnam joined the WTO in January 2007. As a new member of the WTO, Vietnam needs to strengthen its negotiating capacity in the WTO. Most of the activities under the component were designed to enhance the capacity of MOIT in the WTO negotiations and implementation of Vietnam's WTO accession commitments. Some activities were intended to bring the Vietnamese laws and regulations in compliance with the WTO requirements while others were designed to address the emerging issues such as the financial crisis and trade deficit, and the nonmarket economy status of Vietnam.

WTO-1: The first activity under this component involved the facilitation of Vietnamese officials in the WTO regular work. Five Vietnamese government officials attended WTO meetings in Geneva .

Agreement and the Symposium on Movement of Natural Persons. Four MOIT officials also participated in the TRIPS meetings in Geneva from 28-29 October 2008. The participation of Vietnamese Government officials at regular meetings of WTO bodies contributed to their knowledge of the operation of WTO and is likely to assist them in dealing more effectively with WTO issues in the future. Reports were prepared by the officials who attended WTO meetings.

Of the completed activities, **WTO-2** (*Briefing of high-level decision makers and negotiators on developments in international trading system*) involved two one-week training courses in the WTO building in Geneva (21-25 September 2009 and 14-18 December 2009) for 18 Vietnamese high-level officials and negotiators from different ministries. The activity was implemented with the Swiss Cooperation Office (SECO), which was responsible for the organization of the training while MUTRAP III provided financial support for travel and subsistence. The instructors included the chairmen of some of the most important topics (eg Agriculture, Services) discussed in the Doha Round, the representatives of a number of key WTO members (including the EU, China and the US), four WTO Deputy Directors-General, professors specializing in WTO issues, and representatives from institutions, such as the FAO and the International Trade Center. This activity was considered to be very helpful to the Vietnamese officials and negotiators and could be followed up with similar activities during the remainder of MUTRAP III. As suggested in the Six Month Technical and Financial Progress Report (July-December 2009) SECO could, for example, continue to provide a 'coaching activity' for the negotiators in the framework of activities under WTO1, WTO-4 and FTA-8. The evaluators have interviewed many stakeholders and beneficiaries and almost all of them highly appreciated the assistance of MUTRAP III under the WTO component. In particular, the MOIT officials have confirmed that the MOIT capacities have been substantially strengthened as a result of the implementation of MUTRAP activities.

The Vietnamese have become better trade negotiators and they are more heavily engaged in the process than before. Occasionally they have also made proposals in negotiating sessions rather than just played a passive role. Through the joint studies, the participating officials have also learned from foreign experts how to conduct research and develop analytical skills. As one of the senior officials from MOIT has indicated, 'the lasting impact of MUTRAP III is to build the capacity of MOIT which can be sustainable for the country.'

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2.2.2.3 Component 3: FTAs

*Component 3 has focused on the **impact studies of FTAs** on Vietnam which are particularly relevant to Vietnam. However, the legal analysis should be reduced in order to focus on the economic impact studies. The merged FTA horizontal study is more relevant as the FTAs will impact on each other. The capacity building efforts under the component are effective, particularly those relating to commercial counsellors posted in Europe.*

In the last few years, Vietnam, along with other ASEAN members, has been actively engaged in free trade agreement negotiations. Vietnam joined the ASEAN Free Trade Area (AFTA) in 1993. Through the trade and investment mechanisms in ASEAN, Vietnam has been negotiating with its ASEAN members on tariff reductions, services opening and investment liberalization. ASEAN countries are now moving in the direction of an ASEAN Economic Community which requires much more negotiations and consultations among ASEAN members. In addition, Vietnam has been active in negotiating with China, Korea, Japan, Australia, New Zealand, India, and recently with the EU on FTAs either through ASEAN as a group or with individual ASEAN members only. The ASEAN-China FTA became effective in 2009. ASEAN-Korea; ASEAN-Japan; ASEAN-Australia/New Zealand FTAs have also been signed. The ASEAN-India FTA negotiations are ongoing and the FTA negotiations with the EU have just started.

Given the situation, the FTA component of MUTRAP III originally designed 9 activities to address the needs of Vietnam in the FTA area. These activities were primarily devoted to **carry out the impact studies on various FTAs in which Vietnam was involved**. Some activities were intended to **strengthen the negotiating skills of Vietnamese officials** in the FTA negotiations, and others were designed to **analyze the impact of non-tariff barriers and rules of origins on Vietnam**.

(...)

As of May 31, 2010, there were three completed activities under this component – two training activities for the Vietnamese trade counsellors in Europe and one FTA impact study on China prior to the merge. The evaluators have contacted the Vietnamese trade counsellors who participated in the training programs in Geneva and Brussels. Most of them praised highly the training activities and confirmed that their understanding of the WTO negotiation process and the issues involved was substantially strengthened as the result of the training activities.

They have become much better and effective trade negotiators and trade and investment promoters in their country of posting in the EU. The ASEAN-China impact study completed is of a relatively good quality although it would have been preferable if there had been a greater concentration on economic impact issues rather than a long explanation of the legal provisions of FTA agreements.

(..)

The **capacity building initiatives** under this component **are expected to have a long-term impact** on the participating ministries and agencies, particularly MOIT. It is anticipated the **strengthened negotiating skills and research capacity** will go a long way to support the WTO and FTA trade negotiations and policy analysis in Vietnam. However, it is difficult to quantify this impact and perhaps it will take years to see the positive impact of the capacity building initiatives. Many Vietnamese stakeholders have confirmed that the sustainability of this component is quite high as Vietnam will stay on course in regard to trade liberalization and regional trade negotiations. The FTA negotiations will be an important vehicle to achieve the policy goal. The institutions that have benefited from the component are likely to be sustainable as they are the government agencies for regional trade negotiations and studies. But it is crucial to strengthen the national trade-related capacity (including the business community and universities) in order to make it more sustainable.

CSE

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The EC's contribution to ASEAN integration through TA and capacity building has followed a dual track: support to the ASEAN Secretariat (ASEC) through the APRIS project and support to ASEAN MSs through regional programmes such as the EC-ASEAN Economic Cooperation Programme on Standards, Quality and Conformity Assessment (2003-2005), ECAP I and II, Asia ProEco, AsiaInvest and the Asia Trust Fund. All regional programmes have stated the fostering of ASEAN integration as one of their overall objectives. Vietnamese officials have participated in all programmes (Indicators 4.3.1 and 4.3.2).

In addition, the Vietnam-specific bilateral MUTRAP project has explicitly contributed to Vietnam's integration into the regional economic and trade frameworks ASEAN and the ASEAN Free Trade Area (AFTA) through the **deepening Vietnamese officials' expertise in international trade policy related matters in a free trade environment** (Indicator 4.3.1, 4.3.3). However, the available documents do not provide much information as to whether the quantity and quality of training/capacity building has actually increased over time.

- 4.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations
- 4.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

4.5 EQ 5 - To what extent has the Commission’s TRA to trade facilitation contributed to reducing trade-related transaction costs?

4.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

4.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced

Summary for each indicator:

- MUTRAP II financed the activity “WTO and Market Access Database, that should help to monitor market access problems encountered by Vietnamese products on foreign markets. According to the final report: *“The WTO and market access Database and Portal, just like the SPS/TBT Portals, successfully institutionalised another permanent and effective channel of communication and information exchange between Government agencies and their stakeholders, especially businesses, industrial associations and standards-setting or regulatory organisations.”*

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- (i) v) Setting-up of a **“WTO and Market Access Database”** to monitor market access **problems encountered by Vietnamese products** on foreign markets and provide an institutionalised framework of information exchange between central and local Government and business community;
- (ii) (viii) Stock-take of the commitments undertaken by Vietnam under ASEAN, APEC, ASEM and analysis of best practices in regional trade liberalisation/facilitation.

Activity HOR-8: “Setting-up of WTO and Market Access Database Portal”

Aim: The objective of the activity was to set-up a WTO and market access database Portal located in MoIT in order to **monitor market access problems encountered by Vietnamese exporters on foreign markets** and provide an **institutionalised framework for WTO-related information exchange between central and local Government bodies** and the business community. The establishment of the Database was intended to enable Vietnam to take better advantage of its WTO membership.

Assessment: The activity appears to have been well-implemented and well synchronized with other donors’ initiative and the other MUTRAP II activities which have focussed on the fundamental principle of WTO transparency and information-sharing. In general, the creation of the Portal proceeded smoothly with good synergies between EU and local experts. The recent changes in Government structure (i.e., the merger between MOT and MOI) had only minor operational effects on the activity due to the respective changes of hosting Department and IT infrastructures. The WTO and market access Database and Portal, just like the SPS/TBT Portals, successfully institutionalised another permanent and effective channel of communication and information exchange between Government agencies and their stakeholders, especially businesses, industrial associations and standards-setting or regulatory organisations. This appears to be essential to Vietnam’s general competitiveness and sustained growth and development. Again, it appears that the full impact of the setting-up and administration of the WTO and market access Database and Portal will only be felt over time with the increased utilization by the public at large and the growing awareness by all constituencies of its existence and availability.

4.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

Summary for each indicator:

- With the WTO accession, exporting rules changed and preferential trade schemes were abolished, such as the exclusion of Vietnam’s footwear sector from the EU generalised system of preferences. According to the CSE, the foreseen negative effects on the Vietnamese trade sector

did not have a sustained negative impact. In sum, WTO accession implied changes (and more administrative burden?) on the short term, it is however expected that in the long run, legislative framework will be simplified, due to the reference to a common WTO-framework.

CSE

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I. 4.5.4. Tariff and non tariff barriers reduced and other EU-Vietnam trade issues resolved

At the same time, any assessment of tariff and non tariff barriers and EU-Vietnam trade issues is not straightforward. On the one hand, market access for European businesses improved significantly due to the favourable WTO trade regime to which Vietnam committed itself. Since Vietnam's WTO accession, concerns related to a small number of **tariff and non-tariff issues** have surfaced which, however, do not seem to have had a sustained negative impact on bilateral trade relations. Vietnam complained about the **removal of the country's footwear sector from the EU's Generalised System of Preferences (GSP)** which took effect on 1 January 2009, and has opposed the EU anti-dumping duties on leather footwear. The latter measure is currently under review (Indicator 4.5.4).

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The assessment of this indicator is not straightforward. On the one hand, bilateral trade found its legal framework in the 2005 "Agreement between the European Community and the Government of the Socialist Republic of Vietnam on market access" provided and paved the way for Vietnam's WTO membership (1). The Agreement was replaced by the WTO regime when Vietnam accessed the organisation in January 2007. On the other hand however, since then concerns related to a small number of tariff and non-tariff issues have surfaced which, however, do not seem to have a sustained negative impact on bilateral trade relations. The European side reported the emergence of some of the first difficulties of Vietnam regarding WTO implementation. Some of these were solved in 2008 but some remain open (2).

Vietnam on its part complained about the removal of the country's footwear sector from the EU's Generalised System of Preferences (GSP) on 1 January 2009. GSP was set up in 1971, providing developing countries with unilateral tariff preferences and a duty free quota regime. According to the EC, if GSP-covered import from one country represent 15% of all imports into the EU from all GSP beneficiaries, that country's sector is competitive enough not to need preferential treatment. In order to encourage diversification and not penalise over-dependence, the EU foresees that sectors that meet the 15% threshold shall continue enjoying GSP benefits if they constitute at least 50% of all GSP imports originating from the country in question. Vietnam's GSP-covered exports of shoes represented an average of 19% of all EU GSP shoe imports during 2004-2006. Furthermore, GSP-covered footwear represents an average of 49.1% of Vietnam's GSP-covered exports, according to figures presented by the EC (3). Vietnam has also called on the EC to end the EU anti-dumping duties of 16.8% on leather footwear, "denouncing the 'hard' impact it has on local companies and employment". The anti-dumping measures were introduced by the EU in 2006 to combat an influx of leather shoes from Vietnam and China, where the EC said manufacturers were getting unfair state aid. The measure is currently under review.

MUTRAP III

MTR 2010

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Component 5. The activities undertaken under the competition segment of this component were well-targeted, coherent and complemented each other but all this is overshadowed by the fact that the competition law is not applied evenly in regard to all businesses. The MUTRAP III activities in regard to consumer protection have been relevant, coherent and have added value but questions remain as to whether the draft law will be further amended to effectively protect the interests of consumers. The activities undertaken in regard to anti-dumping measures were relevant to the (urgent) need for action at the time. They were coherent, added value, were carried out effectively and efficiently, and are likely to be sustainable.

2.2.2.5 Component 5: Competition Policy Of the seven activities that were planned under this component, two have been completed (COMP-3, COMP-5); four are ongoing and one (COMP-6: One public awareness-raising campaign with special focus on consumer protection) is not due to begin until the fourth quarter of 2010. The assessment of the results of this component will be examined under each of the three topics dealt with under the component: competition policy; consumer protection and anti-dumping measures. (...)

Anti-dumping measures: This activity aims to **increase awareness of business anti-dumping procedures threatening** Vietnamese exporters and to make business representatives aware of the dangers anti-dumping procedures represent and assist them to follow export strategies which may help them avoid the initiation of such procedures. The activity involved: two workshops (one in Hanoi and the other in HCM City, on 10/10/08 and 16/12/08 respectively) to raise awareness of the importance of fully complying with international rules and of the relevance of trade defense instruments (anti-dumping, countervailing measures and safeguards); two seminars involving more than 100 representatives from enterprises in the leather footwear sector; and MUTRAP support for LEFASO to create two hotlines operated by two lawyers (one in Hanoi and the other in HCM City) to assist LEFASO, and leather and footwear enterprises, to deal with the formal and substantial requirements of the EU expiry review of anti-dumping measures on footwear with uppers of leather. Among other things, the workshops helped to clarify the formal and substantial requirements to be met by the Vietnamese enterprises involved in the expiry review procedure. This is a good example of an activity prepared at short notice to overcome an immediate problem, and which had a practical effect. It was relevant to the needs of Vietnam. It was also coherent and it added EC value. It was carried out effectively and efficiently to meet an immediate need, and it is likely to be sustainable.

4.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

4.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

4.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)

4.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)

4.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

4.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

4.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

4.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

4.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

4.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

Summary for each indicator:

- According to the final report of MUTRAP II, the activity SPS/TBT-3 supported the creation of the SPS and TBT portal database and the activity HOR8 supported the set up of a WTO and Market Access Database portal. Both portals “successfully institutionalised a **permanent and effective channel of communication and information-exchange between Government agencies** and their stakeholders, especially businesses, industrial associations and standards-setting or regulatory organisations”, according to the final report.

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SPS/TBT-3: “Adequately equip the central SPS and TBT Enquiry points and Notification authority; assist to create the SPS and TBT Portal and databases”

Aim. The more specific objective was to assist the competent Vietnamese ministries to design an adequate IT equipment system for the SPS and TBT enquiry points and notification authorities (including the ministerial and provincial level focal points) and to create an internet-based “SPS/TBT Portal” to institutionalise a permanent and effective channel of communication and information-exchange between Government agencies and business community on SPS and TBT issues both at international and domestic levels.

Assessment. The SPS/TBT Portals stand out as useful instruments to assist Vietnam in complying with its transparency obligations under the SPS and TBT Agreements and, at the same time, increase the knowledge, networking, and awareness of SPS, TBT and WTO issues among Government, the business community private stakeholders, and the public at large. It appears that this result has been achieved and has empowered vast sections of civil society to have direct access to a wealth of information which is essential in order to take advantage of the new opportunities that Vietnam’s WTO membership offers to producers, exporters and operators. The additional management skills and best practices for purposes of administering SPS and TBT EPNAs beyond the mere sphere of WTO transparency obligations were also very positively assessed and embraced by Vietnam. As for the activity itself, SPS/TBT-3 provided a good example of a coordinated and productive working relationship between the EU expert and the three local experts. The SPS/TBT Portals successfully institutionalised a **permanent and effective channel of communication and information-exchange between Government agencies** and their stakeholders, especially businesses, industrial associations and standards-setting or regulatory organisations. This appears to be essential to Vietnam’s general competitiveness and sustained growth and development. The full impact of the setting-up and administration of the SPS/TBT Portals will only be felt over time with the increased utilization

Activity HOR-8: “Setting-up of WTO and Market Access Database Portal”

Aim: The objective of the activity was to set-up a WTO and market access database Portal located in MoIT in order to **monitor market access problems encountered by Vietnamese exporters on foreign markets** and provide an **institutionalised framework for WTO-related information exchange between central and local Government bodies** and the business community. The establishment of the Database was intended to enable Vietnam to take better advantage of its WTO

membership.

Assessment: The activity appears to have been well-implemented and well synchronized with other donors' initiative and the other MUTRAP II activities which have focussed on the fundamental principle of WTO transparency and information-sharing. In general, the creation of the Portal proceeded smoothly with good synergies between EU and local experts. The recent changes in Government structure (i.e., the merger between MOT and MOI) had only minor operational effects on the activity due to the respective changes of hosting Department and IT infrastructures. The WTO and market access Database and Portal, just like the SPS/TBT Portals, **successfully institutionalised another permanent and effective channel of communication and information exchange between Government agencies and their stakeholders, especially businesses, industrial associations and standards-setting or regulatory organisations.** This appears to be essential to Vietnam's general competitiveness and sustained growth and development. Again, it appears that the full impact of the setting-up and administration of the WTO and market access Database and Portal will only be felt over time with the increased utilization by the public at large and the growing awareness by all constituencies of its existence and availability.

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In the **SPS/TBT segment 3** activities were completed. Under these activities the skill set and competence of the civil servants employed to administer the TBT and SPS enquiry points was developed and new administrative and institutional procedures were adopted to manage the enquiry points. At the time the necessary internet enabled portals were developed and installed to facilitate the operational procedures. This fulfils a WTO commitment under the WTO TBT and SPS Agreement, namely the establishment of WTO TBT and SPS Enquiry Points.

(..)

TBT/SPS-3 and 3 focused on equipping and setting up and internet enabled portals for the SPS and TBT Enquiry points and on creating a *“permanent and effective channel of communication and information-exchange between and among Government agencies and business community”*. The establishment of the TBT and SPS Enquiry Points was sufficient to both meet Vietnam's WTO commitments and contribute to the achievement of the results. This has been achieved. **An SPS Enquiry Point with an internet enabled SPS portal is now operating in the MARD.** A TBT Enquiry is operating in STAMEQ, with an internet enabled TBT portal and internet enabled network of 14 sub offices in other ministries and throughout the provinces. Specialised software was developed specifically for the operation of these portals. However the evaluation team questions the effectiveness of the TBT network of Enquiry points as a *“permanent and effective channel of communication and information-exchange between and among Government agencies and business community”*. The team accepts that the channel facilitates the TBT Enquiry Point operating an “Exporter Alert” system similar to that operated in Canada (in line with the implementation plan for the activity). However this could have been set up and operated from a single portal (as in Canada) or even from a computer with e-mail and internet access. It does not need a network of TBT Enquiry points. **The evaluation also question the effectiveness of locating a network for a permanent and effective channel of communication and information-exchange between Government agencies and business community in STAMEQ given the highly technical nature of its work.** Such a channel would be more effective as a functional part of a business mentoring agency or export promotion agency.

The team also suspects from their discussion with the beneficiaries that no strategy has been developed and no medium or long term place exists which could ensure that this network evolves into an effective communication as envisaged in the goal of the activity. The evaluation team concluded that this is an example of a demand driven activity which meets the beneficiary's goals but only partly meets MUTRAP II goals.

4.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

Summary for each indicator:

- All activities under SERV aimed to raise the awareness of the Government officials in the relevant ministries and to provide training on the fundamental transparency requirement under the GATS in relation to trade-related services legislation and regulations. The EC financed activities strengthened either the establishment of databases/statistical systems or the – in 2008 – existing GATS enquiry and contact point (s.). This was done via trainings of staff, study tours, development of manuals and handbooks, reviewing regulations and assessing their efficiency.
- According to the final report, MUTRAP II has been very important to raise train the officers and staff of the National enquiry points and notification authorities how to 1) establish a enquiry point and 2) get knowledge how to run enquiry points and to respond to WTO enquiries. Also a SPS TBT webportal and statistical database have been created in order to institutionalise a permanent and effective channel of communication and information-exchange between Government agencies and business community on SPS and TBT issues both at international and domestic levels. However, the final evaluation has some reservation on the effectiveness of the SPS-TBT3 activity (creation of the webportal), as the project started with a lot of delay, due to the later entrance of Vietnam into the WTO.
- According to the final report, one can say in resumé that “MUTRAP II has made a decisive contribution to the establishment of new mechanisms such as the **SPS/TBT portals and databases and the WTO and Market Access Database**. At the time of the closure of the Project these mechanisms are functioning. Their future obviously will depend from donors and the budgetary situation of the hosting institutions.”
- According to the final evaluation the institutional capacity has been strengthened which results in a better managing and coping with TBT and SPS requirements: “At the **institutional level capacity was improved setting up and operating TBT and SPS enquiry points, in initiating and managing surveys to gather statistical data on trade in services and in analysing these data**. The evaluation team also believe that where individual capacity has been strengthened the individuals concerned will use this knowledge over time to strengthen the capacity of the institutions in which they work in a multiplier effect.
- The final evaluation highlighted that the primary focus of the activities was on building capacity at the individual level rather than to the institutional capacity building but concluded: “the knowledge transferred at individual level will result in a strengthening of institutional capacity and may act as a catalyst to institutional reform where it is required. Examples are the successful implementation of SERV-5 and TBT/SPS activities (despite some reservation on the effectiveness of the part TBT/SPS -3 as outlined in 3.1). The successful implementation of these activities required changes in institutional and administrative procedures which were successfully affected with MUTRAP II assistance.”
- The mid-term review of MUTRAP III highlights the different efforts that have been made in the past to increase capacities in the field of statistical data but concludes: “A number of stakeholders have drawn the evaluators’ attention to the need for a **comprehensive data base concerning Vietnam’s trade flows with other countries, and updated information on the requirements of EU countries**. Despite various efforts that have been made to improve the situation, there is still a shortage of current and accurate economic and statistical data in Vietnam.”
- MUTRAP II and institutional reforms (from CSE): “While MUTRAP II did not address institutional reform directly, some activities necessitated changes in administrative procedures and in some case in institutional arrangements in order to implement the activities or to implement newly acquired knowledge and capacity. The main activities where these changes were clearly required were SER 5, HOR 3, TBT/SPS 1, 2 and 3, and HOR 10. Under SER 5 the CSO who are the main beneficiary changed their administrative procedures to incorporate the systematic collecting of data on trade in services including the carrying out of industry sector surveys to collect the data. Under HOR 3 some universities introduced a new course focused on international law and WTO issues. This required change in their administrative procedures. The TBT/SPS activities required the creation of new institutional arrangements and separate departments to manage the Enquiry points that were set up in MARD and STAMEQ. New administrative procedures were developed to operate and manage the Enquiry points. The evaluation team concluded that this was a very successful outcome in the context of institutional reform although, as we have already mentioned in section 2.2.1 the effectiveness of locating a network for a permanent and information-exchange between Government agencies and business community in STAMEQ is questionable given the highly technical nature of its work. “

MUTRAP III: The assessment of performance for Component 1 is as followed in the MTR: “Component 1 has strengthened research and analytical skills among officials involved in trade issues. The various activities undertaken have been effective in educating Vietnamese senior officials and top decision-makers about the changing trading environment, following accession to the WTO. Among other things, they have also improved the capacity of Vietnamese negotiators at international conferences **and strengthened capacity in dealing with SPS and TBT inquiry**

points and notification requirements.”

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p. 39: Overview of relevant activities under MUTRAP II

- **SERV-4: Assistance on GATS transparency obligations and establishment of the GATS enquiry and contact point**
- **SERV-5: Assistance to establish the statistical system for trade in services**
- **SPS/TBT-1: “On-the-job training for best practices and management techniques of SPS/TBT enquiry points”**
- **SPS/TBT-2: “Review regulations related to implementation of SPS/TBT Agreements, including the operation of SPS/TBT Enquiry Points; assess regulatory efficiency and implications”**
- **SPS/TBT-3: “Adequately equip the central SPS and TBT Enquiry points and Notification authority; assist to create the SPS and TBT Portal and databases”**
- **Activity HOR-8: “Setting-up of WTO and Market Access Database Portal”**
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*All activities under SERV aimed to raise the awareness of the Government officials in the relevant ministries and to provide training on the **fundamental transparency requirement under the GATS** in relation to trade-related services legislation and regulations.*

SERV-4: Assistance on GATS transparency obligations and establishment of the GATS enquiry and contact point

Aim: The specific objective was to assist the **establishment of appropriate inter-governmental rules, procedures, institutional set-up, human resources and equipment to guarantee the efficient and effective functioning of the GATS enquiry and Contact Point** established within the Ministry of Trade.

Output: There are two main outputs of this activity: the result of the study tour of 12 Vietnamese in Switzerland and in Hungary and the final report presented jointly by the European and the Vietnamese experts. (..)

The joint final report was mainly aimed to provide recommendations for the establishment of the GATS Enquiry and Contact Points (GECP). The report, after a thorough analysis of the WTO/GATS transparency obligations and commitments, provides a review of the experiences as well of the best practices in establishing and operating a GECP in other WTO members; the final part lists suggestions the formal step to be implemented for establishing the GECP in Vietnam, taking into account the existing infrastructures and the needs.

Assessment: the project was helpful in raising the awareness of Governmental officials in the relevant ministries on the fundamental transparency requirements under the WTO/GATS and on the **main steps to be undertaken for the set up of the GECP**. Both the study tour and the final report provided important information for the establishment of appropriate inter-governmental rules, procedures, institutional set-up, assessment of the needed human resources and equipment to guarantee the efficient and effective functioning of the GECP established within the MOIT. Moreover, the study tour had apparent positive results in term of raising the awareness of the whole Government on this issue. The final workshop was informative and it was useful as the Governmental officials could collect some feedback from the participants that would be helpful in all the legislative and regulatory activities carried out for the proper implementation of the transparency obligations of GATS as well as for the correct functioning of the GECP.

SERV-5: Assistance to establish the statistical system for trade in services

Aim: Assisting the **General Statistics Office (GSO)**, in coordination with the Ministry of Planning and Investment, the Ministry of Trade and other agencies, in fulfilling the Government mandate to **establish appropriate statistical system for trade in services**, including import-export services as mandated under the Government’s Overall Services Strategy. Improving the capacity of GSO and other agencies to develop and operate a statistical reporting system for trade in services of Vietnam in line with established classifications and international standards.

Output: The final report, after having described the international best practices (*i.e. the Manual on*

Statistics of International Trade in Services developed by an international task force – Manual -, and the IMF Balance of Payments Manual) describes, in the first part, the rationale for a system of international trade in service statistics in Vietnam, including the role of services in World trade and in Vietnam and the current situation on trade in service statistics in Vietnam. Consultations with the stakeholders conducted by local and EU experts revealed that the statistical methodology of international trade in services should be updated in accordance with modern practice and should follow international standards as recommended in the Manual of Statistics of International Trade in Services; moreover, the statistical system should be organized through a proper co-ordination among the agencies and the enterprises.

Assessment: The activity has strongly contributed to the establishment of a WTO consistent statistical system on trade in services, helping the Government and the GSO to meet the requirements of the GATS in the area of statistics on trade in services. It has been recognized the high level of coordination among national and foreign experts and the important support they received from the Governmental officials. During the implementation of SERV-5 it turned out that Vietnam needed further training its statistical experts in some specialized areas. In view of specificity and complexity of specialized training experts agreed that the best way to acquire such knowledge would be in the form of on-the-job training in statistical offices of developed countries. In the study tour referred to under SERV-4, the Central Statistical Office of Hungary offered that in the framework of MUTRAP III they would be willing to receive a number of Vietnamese officials for on-the-job training in specialized areas.

SPS/TBT-1: “On-the-job training for best practices and management techniques of SPS/TBT enquiry points”

Aim: The broad objective of this activity was to assist Vietnam in complying with its transparency obligations under the SPS and TBT Agreements. Specific objective was to assist the competent Vietnamese ministries to **adequately train the officials staffing and running the SPS and TBT enquiry points and notification authorities (EPNA), including the ministerial and provincial level focal points**, to answering enquiries and making notifications to the WTO Secretariat.

Assessment: The exposure to best practices and to management techniques for SPS/TBT databases and information exchange platforms developed in the SPS and TBT EPNAs of model EU countries, together with the attendance of the specialized training course organized by the WTO Secretariat, appear to have **been instrumental in equipping EPNA officers to effectively run their offices**. The study-tour organized under Activity SPS/TBT-1 was very successful. The presentations, the question and answer sessions and the rich documentation provided by the visited institutions contributed to a thorough understanding by participants of the general and practical aspects of operating and managing national SPS and TBT Enquiry Points and Notification Authorities. The detailed end-of-mission reports prepared by participants and the EU experts provide a good basis for the Vietnamese SPS and TBT Enquiry Points and Notification Authorities (EPNAs) to prepare their internal manual which would incorporate the operating rules for their institutions. The programme, through the training of officials in Europe who will manage the SPS and TBT EPNAs, provided assistance to MARD, STAMEQ and other relevant stakeholders in order to build capacities which will enable them to implement the transparency provisions of the WTO Agreements on SPS and TBT.

Impact and sustainability: The fact that Vietnam’s SPS and TBT EPNAs have now been operating for more than one year fulfilling their WTO transparency obligations is testimony to the success of activity SPS/TBT-1 and MUTRAP’s focus on TRTA in relation to SPS and TBT transparency obligations as essential instruments to reach such goal. Activity SPS/TBT-1 appears to have successfully assisted Vietnam in creating the necessary capacities and skills within its SPS and TBT Enquiry Points and Notification Authorities to answer enquiries and make notifications to the WTO Secretariat in time to manage the WTO transparency obligations related to the adoption or implementation of new standards, new technical regulations and new conformity assessment procedures, or in the amendment of existing ones following WTO accession.

SPS/TBT-2: “Review regulations related to implementation of SPS/TBT Agreements, including the operation of SPS/TBT Enquiry Points; assess regulatory efficiency and implications”

Aim: The general objective of this activity was to help Vietnam to better implement its WTO commitments in the SPS/TBT area. The specific objective of the task was to review the regulations related to the implementation of the SPS/TBT Agreements, including the regulations related to the

operation of the SPS and TBT enquiry points and notification authorities. The activity was also meant to assess the regulatory implications for Vietnam, in particular the coordination and information-exchange between the central SPS and TBT enquiry points and notification authorities and the relevant customs authorities at central and border level.

Assessment: As a result of the specialized trainings, by the end of the workshops the trainees had developed a good basic understanding of the SPS and TBT Agreements, the importance of BMP/GAqP/CoC implementation in aquaculture practices and their practical implementing procedures. Also, the more general capacity of Vietnam's EPNAs to fully and effectively implement the SPS and TBT Agreements was further developed by SPS/TBT-2 in line with MUTRAP's focus on SPS/TBT transparency.

SPS/TBT-3: "Adequately equip the central SPS and TBT Enquiry points and Notification authority; assist to create the SPS and TBT Portal and databases"

Aim: The more specific objective was to assist the competent Vietnamese ministries to design an adequate IT equipment system for the SPS and TBT enquiry points and notification authorities (including the ministerial and provincial level focal points) and to create an internet-based "SPS/TBT Portal" to institutionalise a permanent and effective channel of communication and information-exchange between Government agencies and business community on SPS and TBT issues both at international and domestic levels.

Assessment: The SPS/TBT Portals stand out as useful instruments to assist Vietnam in complying with its transparency obligations under the SPS and TBT Agreements and, at the same time, increase the knowledge, networking, and awareness of SPS, TBT and WTO issues among Government, the business community private stakeholders, and the public at large. It appears that this result has been achieved and has empowered vast sections of civil society to have direct access to a wealth of information which is essential in order to take advantage of the new opportunities that Vietnam's WTO membership offers to producers, exporters and operators. The additional management skills and best practices for purposes of administering SPS and TBT EPNAs beyond the mere sphere of WTO transparency obligations were also very positively assessed and embraced by Vietnam. As for the activity itself, SPS/TBT-3 provided a good example of a coordinated and productive working relationship between the EU expert and the three local experts. The SPS/TBT Portals successfully institutionalised a **permanent and effective channel of communication and information-exchange between Government agencies** and their stakeholders, especially businesses, industrial associations and standards-setting or regulatory organisations. This appears to be essential to Vietnam's general competitiveness and sustained growth and development. The full impact of the setting-up and administration of the SPS/TBT Portals will only be felt over time with the increased utilization by the public at large and the growing awareness by all constituencies of its existence and availability.

Activity HOR-8: "Setting-up of WTO and Market Access Database Portal"

Aim: The objective of the activity was to set-up a WTO and market access database Portal located in MoIT in order to monitor market access problems encountered by Vietnamese exporters on foreign markets and provide an institutionalised framework for WTO-related information exchange between central and local Government bodies and the business community. The establishment of the Database was intended to enable Vietnam to take better advantage of its WTO membership.

Assessment: The activity appears to have been well-implemented and well synchronized with other donors' initiative and the other MUTRAP II activities which have focussed on the fundamental principle of WTO transparency and information-sharing. In general, the creation of the Portal proceeded smoothly with good synergies between EU and local experts. The recent changes in Government structure (i.e., the merger between MOT and MOI) had only minor operational effects on the activity due to the respective changes of hosting Department and IT infrastructures. The WTO and market access Database and Portal, just like the SPS/TBT Portals, successfully institutionalised another permanent and effective channel of communication and information exchange between Government agencies and their stakeholders, especially businesses, industrial associations and standards-setting or regulatory organisations. This appears to be essential to Vietnam's general competitiveness and sustained growth and development. Again, it appears that the full impact of the setting-up and administration of the WTO and market access Database and Portal will only be felt over time with the increased utilization by the public at large and the growing awareness by all constituencies of its existence and availability.

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MUTRAP's contribution to the implementation of WTO obligations

WTO membership of Vietnam in early 2007 resulted in the commencement of the implementation of WTO obligations in a large number of fields almost simultaneously. The implementation of obligations required the revision and/or modifications of regulations, the change of administrative practices, large

scale training of officials and the preparation of many WTO notifications.

(..)

the major reports **under SERV-1 and SERV-2** within a very short period of time processed a very large number of Vietnamese legal regulations related to the sectors where Vietnam undertook specific commitments in the light of these commitments, explained to the main stakeholders the meaning of WTO commitments and identified gaps in regulation and practices.

SERV-5, SPS/TBT-1 and **SPS/TBT-3** assisted Vietnam to establish **Enquiry Points under the GATS and the SPS and TBT Agreements**.

The lessons learnt from the programmes which aimed at the providing assistance to Vietnam to implement WTO obligations, especially under SERV-1 and SERV-2, was that the revision of a large number of rules and related practices needed much more time, a greater number of more specialized EU and local experts and such new forms of TA as on the job training of a small number of selected Vietnamese experts in foreign countries with appropriate experience. The suggestion for MUTRAP III is that in similar exercises the resources should be directed to more specific tasks and more time should be allocated to help stakeholders to explain the legislative and other tasks which need to be undertaken to improve implementation of WTO commitments and new forms of TA such as on the job training should be carefully considered.

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MUTRAP II has made a decisive contribution to the establishment of new mechanisms such as the **SPS/TBT portals and databases and the WTO and Market Access Database**. At the time of the closure of the Project these mechanisms are functioning. Their future obviously will depend from donors and the budgetary situation of the hosting institutions.

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In SPS/TBT Transparency area, activities were to improve the skills and **legal framework for the SPS and TBT enquiry points and notification authorities** to comply with the relevant WTO transparency obligations, to train SPS authorities on risk analysis, adequately equip the central SPS and TBT enquiry points and notification authorities (including the ministerial and provincial level focal points) and to **create an internet-based “SPS/TBT Portal” and database to institutionalise a permanent and effective channel of communication and information-exchange between Government agencies and business community**.

3 major reports were completed in this area : (i) A Report on the "**Best Practices and Management Techniques of SPS/TBT Enquiry Points**"; (ii) "Vietnam's TBT Implementation and Policy Gaps"; (iii) "**The review of Vietnam's laws and regulations and the operation of Vietnam's SPS enquiry points and notification authorities in relation to national obligations under the SPS agreement**".

In addition, two five-day training courses were organised in November 2007 on the subject of improving the understanding and implementation of the rules and procedures for risk analysis in compliance with the relevant obligations under the SPS Agreements. .

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At the **institutional level** capacity was improved **setting up and operating TBT and SPS enquiry points**, in initiating and **managing surveys to gather statistical data** on trade in services and in analysing these data. The evaluation team also believe that where individual capacity has been strengthened the individuals concerned will use this knowledge over time to strengthen the capacity of the institutions in which they work in a multiplier effect.

The evaluation team concluded that MUTRAP II has had an immediate impact in terms of human capacity development and institutional capacity development. It is also likely to have had a wider economic and social impact which will help creating an enabling environment for the implementation of the GoV Post WTO Action plan and the implementation of MUTRAP III. The immediate impact in terms of human capacity development has occurred at the **individual level** through knowledge transfer from participation in MUTRAP II activities.

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Similarly, while most benefits were delivered as planned, the delivery of some was delayed as the implementation of activities was delayed due to the delay in Vietnam entering the WTO. The value of some benefits delivered was also less than perceived at the outset. This was primarily as a result of the activity being demand driven and less rigorous analysis being applied in estimating the contribution of the activity outcome to the forecast result in the logframe or in adequate planning for ensuring the sustainability of benefits delivered outside the immediate scope of the result. An example is **TBT/SPS-3 and HOR-8**, which was discussed in section 3.1 above. However the evaluation team concluded the effectiveness of the activities in achieving the other results, particularly Result 1, outweighed these shortcomings. The beneficiaries and key stakeholders generally expressed satisfaction with the project implementation and were confident that their capacities to meet WTO commitments were strengthened. Some stakeholders at the consultative meeting with the evaluation team expressed concern that the primary focus of the activities was on building capacity at the individual level and more attention should have been paid to building institutional capacity. **The evaluation team agree, as indicated in 3.1, that the achievement of some results may have been more effective and more efficient if some attention was focused on the reform of institutional and administrative procedures required to meet WTO commitments.** However the evaluation team concluded that the knowledge transferred at individual level will result in a strengthening of institutional capacity and may act as a catalyst to institutional reform where it is required. Examples are the successful implementation of SERV-5 and TBT/SPS activities (despite some reservation on the effectiveness of the part TBT/SPS -3 as outlined in 3.1). The successful implementation of these activities required changes in institutional and administrative procedures which were successfully affected with MUTRAP II assistance.

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In the **SPS/TBT segment 3** activities were completed. Under these activities the skill set and competence of the civil servants employed to administer the TBT and SPS enquiry points was developed and new administrative and institutional procedures were adopted to manage the enquiry points. At the time the necessary internet enabled portals were developed and installed to facilitate the operational procedures. This fulfils a WTO commitment under the WTO TBT and SPS Agreement, namely the establishment of WTO TBT and SPS Enquiry Points.

TBT/SPS 1 focused on building capacity to set up TBT and SPS Enquiry points and building capacity in the use of risk analysis as required under the WTO SPS Agreement. The main beneficiaries were the MARD, MOH and the MOST. A study was completed to Italy and the WTO Secretariat in Geneva and numbers of workshops were held on Risk analysis. The activities were received by the beneficiaries and it is clear the evaluation team believe the result was achieved. However one could question the efficiency of the method of delivery in relation to the study tour. The evaluation team believe the same result could have been achieved with a regional study tour to one destination .e.g. to Thailand or Singapore and that it should only be necessary to have 1 EU expert on the tour.

BT/SPS 2 focused on building operational capacity for the TBT and SPS Enquiry Points. A review of the regulatory requirements was carried out and a number of workshops were held.

TBT/SPS-3 and 3 focused on equipping and setting up and internet enabled portals for the SPS and TBT Enquiry points and on creating a *“permanent and effective channel of communication and information-exchange between and among Government agencies and business community”*. The establishment of the TBT and SPS Enquiry Points was sufficient to both meet Vietnam’s WTO commitments and contribute to the achievement of the results. This has been achieved. **An SPS Enquiry Point with an internet enabled SPS portal is now operating in the MARD.** A TBT Enquiry is operating in STAMEQ, with an internet enabled TBT portal and internet enabled network of 14 sub offices in other ministries and throughout the provinces. Specialised software was developed specifically for the operation of these portals. However the evaluation team questions the effectiveness of the TBT network of Enquiry points as a *“permanent and effective channel of communication and information-exchange between and among Government agencies and business community”*. The team accepts that the channel facilitates the TBT Enquiry Point operating an “Exporter Alert” system similar to that operated in Canada (in line with the implementation plan for the activity). However this could have been set up and operated from a single portal (as in Canada) or even from a computer with e-mail and internet access. It does not need a network of TBT Enquiry points. **The evaluation also question the effectiveness of locating a**

network for a permanent and effective channel of communication and information-exchange between Government agencies and business community in STAMEQ given the highly technical nature of its work. Such a channel would be more effective as a functional part of a business mentoring agency or export promotion agency.

The team also suspects from their discussion with the beneficiaries that no strategy has been developed and no medium or long term place exists which could ensure that this network evolves into an effective communication as envisaged in the goal of the activity. The evaluation team concluded that this is an example of a demand driven activity which meets the beneficiary's goals but only partly meets MUTRAP II goals.

This benefit was delivered to the beneficiaries as planned. In regard to the TBT Enquiry Point, while the planned benefits have been delivered, the evaluation team are not convinced that in economic terms the network of TBT offices throughout the country is justified.

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Inventory of the Applicable WTO Rules and Procedures

With respect to the section on the “***Inventory of the Applicable WTO Rules and Procedures on Equivalency and MRAs***”, this report aims at consolidating the relevant rules on equivalency and mutual recognition in the WTO system. For each area of interest, a general definition is first provided. A review of the applicable WTO rules (as provided in the SPS and TBT Agreements) is then conducted on the basis of the express provisions of the agreements and of the other WTO legal documents that have been adopted over time to interpret and offer guidance in relation to equivalence and mutual recognition.

When appropriate, reference to other WTO Members' statements and experiences, as put forward at SPS and TBT Committees' level, is made in order to provide the reader with value-added elements of interpretation and consideration. To this end, the relevant provisions of the SPS and TBT Agreements, together with the other WTO documents are annexed to the report.

The information provided on the concepts of equivalence and mutual recognition in the WTO system is meant to assist the local experts and all interested Vietnamese authorities in approaching the subject and in making any future use of the rights and obligations under the SPS and TBT Agreements as they relate to these trade-facilitation mechanisms.

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A number of stakeholders have drawn the evaluators' attention to the need for a **comprehensive data base** concerning Vietnam's **trade flows** with other countries, and **updated information on the requirements of EU countries**. Despite various efforts that have been made to improve the situation, there is still a shortage of current and accurate economic and statistical data in Vietnam.

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2.2.2.1 Component 1: Coordination and implementation of WTO commitments

Component 1 has strengthened research and analytical skills among officials involved in trade issues. The various activities undertaken have been effective in educating Vietnamese senior officials and top decision-makers about the changing trading environment, following accession to the WTO. Among other things, they have also improved the capacity of Vietnamese negotiators at international conferences and strengthened capacity in dealing with SPS and TBT inquiry points and notification requirements.

CSE

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Institutional reform

While MUTRAP II did not address institutional reform directly, some activities necessitated changes in administrative procedures and in some case in institutional arrangements in order to implement the

activities or to implement newly acquired knowledge and capacity. The main activities where these changes were clearly required were SER 5, HOR 3, TBT/SPS 1, 2 and 3, and HOR 10. Under SER 5 the CSO who are the main beneficiary changed their administrative procedures to incorporate the systematic collecting of data on trade in services including the carrying out of industry sector surveys to collect the data. Under HOR 3 some universities introduced a new course focused on international law and WTO issues. This required change in their administrative procedures. The TBT/SPS activities required the creation of new institutional arrangements and separate departments to manage the Enquiry points that were set up in MARD and STAMEQ. New administrative procedures were developed to operate and manage the Enquiry points. The evaluation team concluded that this was a very successful outcome in the context of institutional reform although, as we have already mentioned in section 2.2.1 the effectiveness of locating a network for a permanent and information-exchange between Government agencies and business community in STAMEQ is questionable given the highly technical nature of its work.

4.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

4.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

4.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

Summary for each indicator:

- Summary in I-422.

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MUTRAP's contribution to the implementation of WTO obligations

WTO membership of Vietnam in early 2007 resulted in the commencement of the implementation of WTO obligations in a large number of fields almost simultaneously. The implementation of obligations required the revision and/or modifications of regulations, the change of administrative practices, large scale training of officials and the preparation of many WTO notifications.

(..)

the major reports **under SERV-1 and SERV-2** within a very short period of time processed a very large number of Vietnamese legal regulations related to the sectors where Vietnam undertook specific commitments in the light of these commitments, explained to the main stakeholders the meaning of WTO commitments and identified gaps in regulation and practices. SERV-5, SPS/TBT-1 and **SPS/TBT-3** assisted Vietnam to establish **Enquiry Points under the GATS and the SPS and TBT Agreements**.

The lessons learnt from the programmes which aimed at the providing assistance to Vietnam to implement WTO obligations, especially under SERV-1 and SERV-2, was that the revision of a large number of rules and related practices needed much more time, a greater number of more specialized EU and local experts and such new forms of TA as on the job training of a small number of selected Vietnamese experts in foreign countries with appropriate experience. The suggestion for MUTRAP III is that in similar exercises the resources should be directed to more specific tasks and more time should be allocated to help stakeholders to explain the legislative and other tasks which need to be undertaken to improve implementation of WTO commitments and new forms of TA such as on the job training should be carefully considered.

CSE

Indicator 4.3.2: Complementarity of EC-supported regional and national technical assistance and capacity building achieved

According to the evaluation, in **Vietnam's food sector**, the common ASEAN requirements were developed on food safety, food hygiene and labelling. In the **cosmetics sector**, the ASEAN Directive was explained and assistance given for its implementation. In the **pharmaceutical sector**, the ASEAN Technical Common Dossier (ACTD) was adopted. In the EET sector, the ASEAN common regulatory regime was adopted. The food sector benefited from the programme support especially in the **fisheries sector**. Furthermore, a Vietnamese laboratory was selected as reference laboratory for the ASEAN region. Overall, the evaluation concluded that the standards programme was in line with the objectives of ASEAN economic cooperation and to in-country needs (2).

The EC supported two **major IPR projects** over the evaluation period. While ECAP I (1993-1997) focused on **industrial IPRs**, ECAP II (2000-2007) covered the entire spectrum of IPRs, with particular emphasis on enforcement. All ASEAN states except Burma/Myanmar were partners in ECAP II. With Euro 9 million of total funding, ECAP II was originally foreseen to run until the end of 2006. However regional activities as well as national activities for Malaysia, Cambodia, Lao PDR and Vietnam were extended until the end of 2007. ECAP II specifically responded to the needs of ASEAN countries in their bid to become more active players in the global market, where the use and protection of IPRs is a precondition for competitiveness (3). ECAP gained particular importance within the context of the 2005 EC Strategy for the enforcement of IPRs in third countries, which included ASEAN in the Priority Countries list (4).

Early monitoring reports on Vietnam's national components of **ECAP II did not identify tangible impacts in the form of increased enforcement of IPRs**: "the positive impact has been limited to **supporting sharing of experiences between IPR professionals** across all ASEAN nations. There is little evidence of ECAP II contributing to establish any IPR structures or policies at the regional level" (5).

Yet, the impact of ECAP national components has improved over time. The ECAP Final Evaluation report stated on the Vietnam component: "**Legal framework complete and largely TRIPS compliant**. However, legal mechanisms need to be refined, complemented and adapted to new developments in the field of IPRs. Also, implementing legislation need to be reviewed and adapted based on practical experience of implementing the new IP law." On the enforcement of IP rights the report stresses that courts and official arbitration tribunals were an important part of the enforcement system, yet not used for settling IP cases. **The same was true for the Vietnam International Arbitration Centre (VIAC)**. The knowledge about IPR within enforcement agencies was still weak (customs, economic police, market management authorities, inspectorates (6). The current EC approach to cooperation on IPR does not aim at the introduction of new commitments, but instead encourages its partners to adhere to a series of existing (far-reaching) IPR agreements. The EC is also actively promoting adoption of its geographical indications approach (7).

4.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

4.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

4.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

4.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies

4.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies

4.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

4.6.4 **JC 6.4 - Cost of compliance reduced**

4.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance

4.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

4.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

Summary for each indicator:

- Vietnam received EC support from the bilateral cooperation as well as from regional cooperation. According to the CSE, this different support was complementarily to each other and Vietnam profited highly from regional programmes, such as e.g. ECAP (related to IPR, more detailed discussion see EQ4).

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The EC's contribution to ASEAN integration through TA and capacity building has followed a dual track: support to the ASEAN Secretariat (ASEC) through the APRIS project and support to ASEAN MSs through regional programmes such as the EC-ASEAN Economic Cooperation Programme on Standards, Quality and Conformity Assessment (2003-2005), ECAP I and II, Asia ProEco, AsiaInvest and the Asia Trust Fund. All regional programmes have stated the fostering of ASEAN integration as one of their overall objectives. Vietnamese officials have participated in all programmes (Indicators 4.3.1 and 4.3.2).

In addition, the Vietnam-specific bilateral MUTRAP project has explicitly contributed to Vietnam's integration into the regional economic and trade frameworks ASEAN and the ASEAN Free Trade Area (AFTA) through the **deepening Vietnamese officials' expertise in international trade policy related matters in a free trade environment** (Indicator 4.3.1, 4.3.3). However, the available documents do not provide much information as to whether the quantity and quality of training/capacity building has actually increased over time.

In terms of complementarity between regional and national TA/capacity building needs and responses to these needs, Vietnam profited in particular from the ASEAN-level Standards and ECAP programmes, the latter of which dealt with intellectual property rights or IPRs. (Indicator 4.3.2). It has always to be kept in mind that one of the striking characteristics of the regional integration process in Southeast Asia is the gap between political rhetoric (the vision for economic integration as prominently spelled out in the ASEAN Economic Community Blueprint and the ASEAN Charter) and political reality. Regional integration and harmonisation in the field of tariffs, standards, IPRs, foreign investment regimes etc. has been advancing only slowly. The basic conditions for creating common regimes or even for harmonising national legislative frameworks and enforcement practises among ASEAN countries are not yet in place, considering disparities in technical and institutional capacities, levels of economic development, and political priorities. This a significant limiting factors when it comes to complementarities between EC regional programmes and projects (both directed at the ASEAN Secretariat and ASEAN Member States) on the one hand and national interventions on the other. Vietnam is no exception from the rule. However, preliminary evidence based on evaluation and monitoring reports suggests that both the national components of the ASEAN standard project and – to a somewhat lesser extent – ECAP I and II have achieved above-average outcomes in Vietnam as compared to other ASEAN member states.

These are explored in greater detail in the currently ongoing evaluation of the EC's ASEAN-level cooperation programme.

4.7.1 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

4.7.1.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

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I. 4.5.4. Tariff and non tariff barriers reduced and other EU-Vietnam trade issues resolved

At the same time, any assessment of tariff and non tariff barriers and EU-Vietnam trade issues is not straightforward. On the one hand, market access for European businesses improved significantly due to the favourable WTO trade regime to which Vietnam committed itself. Since Vietnam’s WTO accession, concerns related to a small number of **tariff and non-tariff issues** have surfaced which, however, do not seem to have had a sustained negative impact on bilateral trade relations. Vietnam complained about the **removal of the country’s footwear sector from the EU’s Generalised System of Preferences (GSP)** which took effect on 1 January 2009, and has opposed the EU anti-dumping duties on leather footwear. The latter measure is currently under review (Indicator 4.5.4).

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The assessment of this indicator is not straightforward. On the one hand, bilateral trade found its legal framework in the 2005 “Agreement between the European Community and the Government of the Socialist Republic of Vietnam on market access” provided and paved the way for Vietnam’s WTO membership (1). The Agreement was replaced by the WTO regime when Vietnam accessed the organisation in January 2007. On the other hand however, since then concerns related to a small number of tariff and non-tariff issues have surfaced which, however, do not seem to have a sustained negative impact on bilateral trade relations. The European side reported the emergence of some of the first difficulties of Vietnam regarding WTO implementation. Some of these were solved in 2008 but some remain open (2).

Vietnam on its part complained about the removal of the country’s footwear sector from the EU’s Generalised System of Preferences (GSP) on 1 January 2009. GSP was set up in 1971, providing developing countries with unilateral tariff preferences and a duty free quota regime. According to the EC, if GSP-covered import from one country represent 15% of all imports into the EU from all GSP beneficiaries, that country's sector is competitive enough not to need preferential treatment. In order to encourage diversification and not penalise over- dependence, the EU foresees that sectors that meet the 15% threshold shall continue enjoying GSP benefits if they constitute at least 50% of all GSP imports originating from the country in question. Vietnam's GSP-covered exports of shoes represented an average of 19% of all EU GSP shoe imports during 2004-2006. Furthermore, GSP-covered footwear represents an average of 49.1% of Vietnam's GSP-covered exports, according to figures presented by the EC (3). Vietnam has also called on the EC to end the EU anti-dumping duties of 16.8% on leather footwear, “denouncing the ‘hard’ impact it has on local companies and employment”. The anti-dumping measures were introduced by the EU in 2006 to combat an influx of leather shoes from Vietnam and China, where the EC said manufacturers were getting unfair state aid. The measure is currently under review.

4.7.1.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

Summary for each indicator:

- MUTRAP III financed impact studies on various FTAs in which Vietnam was involved. According to the MTR too much emphasis was given to the legal side of FTA, rather than the economic impact analysis which is mostly required under the project. This was mainly due to a lack of economical data. According to the MTR *“The impact studies require current and accurate data for the analysis. This seems a big problem in Vietnam. Many international and national experts have expressed their concerns on the quality of the impact analysis due to the lack of accurate and current economic data in Vietnam. This is the area that GoV and the donor community need to invest in the near future”*

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2.2.2.3 Component 3: FTAs

*Component 3 has focused on the **impact studies of FTAs** on Vietnam which are particularly relevant to Vietnam. However, the legal analysis should be reduced in order to focus on the economic impact studies. The merged FTA horizontal study is more relevant as the FTAs will impact on each other. The capacity building efforts under the component are effective, particularly those relating to commercial counsellors posted in Europe.*

In the last few years, Vietnam, along with other ASEAN members, has been actively engaged in free trade agreement negotiations. Vietnam joined the ASEAN Free Trade Area (AFTA) in 1993. Through the trade and investment mechanisms in ASEAN, Vietnam has been negotiating with its ASEAN members on tariff reductions, services opening and investment liberalization. ASEAN countries are now moving in the direction of an ASEAN Economic Community which requires much more negotiations and consultations among ASEAN members. In addition, Vietnam has been active in negotiating with China, Korea, Japan, Australia, New Zealand, India, and recently with the EU on FTAs either through ASEAN as a group or with individual ASEAN members only. The ASEAN-China FTA became effective in 2009. ASEAN-Korea; ASEAN-Japan; ASEAN-Australia/New Zealand FTAs have also been signed. The ASEAN-India FTA negotiations are ongoing and the FTA negotiations with the EU have just started.

Given the situation, the FTA component of MUTRAP III originally designed 9 activities to address the needs of Vietnam in the FTA area. These activities were primarily devoted to **carry out the impact studies on various FTAs in which Vietnam was involved**. Some activities were intended to **strengthen the negotiating skills of Vietnamese officials** in the FTA negotiations, and others were designed to **analyze the impact of non-tariff barriers and rules of origins on Vietnam**.

While most of the activities under this component are relevant to Vietnam, the evaluators found that the **experts had devoted the impact analysis of FTAs to the legal analysis rather than the economic impact analysis which is mostly required under the project**. In particular, since these FTAs are interrelated, the impact analysis of one particular FTA will have to link the impacts of other FTAs which Vietnam is negotiating or has negotiated. Therefore, the MUTRAP Team made the right adjustment to merge the remaining four FTA impact studies into one FTA horizontal study later in order to carry out a comprehensive study on the impact of all FTAs which Vietnam is negotiating and/or implementing. This adjustment is a move in the right direction and makes the FTA impact studies more relevant to Vietnam. However, the impact studies require current and accurate data for the analysis. This seems a big problem in Vietnam. Many international and national experts have expressed their concerns on the quality of the impact analysis due to the lack of accurate and current economic data in Vietnam. This is the area that GoV and the donor community need to invest in the near future.

(..)

The evaluators have interviewed many government officials from MOIT, MPI and other line-ministries, and selected business associations, and they have raised high hopes for the FTA horizontal impact study in order to give them some directions on the FTA negotiations and policy-making as well as the preparation of future business adjustments under the new trading environment. However, due to the lack of economic data in the economic analysis, some have expressed their concerns about the final result of the FTA horizontal economic impact study. Most of the component activities are research-based and jointly being carried out by international and Vietnamese experts. As a result of this team approach, it is likely the research and analytical skills are being transferred from international experts to Vietnamese experts. On the other hand, international experts can also learn the Vietnamese domestic conditions and policy reforms. The skills transfer will have a lasting impact on the trade-related capacity building in Vietnam. However, some international experts have expressed concerns about the availability of Vietnamese experts while they are in Vietnam. According to their terms of reference, they are required to be stationed in Vietnam (mostly in Hanoi) 85% of their working days, but it is difficult to meet their Vietnamese

experts assigned to work on their studies as these Vietnamese partners are too busy with other work at the same time.

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4.8 EQ 8 - To what extent has the Commission’s TRA support to Trade Development helped improving market access and investment climate?

4.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

4.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government

<p>Summary for each indicator:</p> <ul style="list-style-type: none"> • The project “capacity building on trade policy for Vietnamese business association has been implemented by the European Chamber of commerce in Vietnam and delivered training courses and shared experience on experiences of business associations in the EU. According to the final project report, the participants of the training courses were satisfied and first activities of VBAs show that the trainings increased the knowledge how to improve the services of their association towards their members and how to effectively get involved in and influence the legislative formulation process. A good example is the Young Business People Association of Ho Chi Minh City (YBA) which increased its visibility through a newsletter and improved their administrative capacity through an improved membership directory. Furthermore, the EuroCham shared their experience of the formulation of a White Book ““Trade policy recommendations from VBAs”. With this book, VBA got a new channel for effective advocacy. • Although the project had been a success, the final report also acknowledge that the number of Vietnamese business accessing the European Trade Information Centre in Ho Chi Minh City (ETIC) is rather limited. Furthermore, the final project report recommend to further strengthen the coordination among VBAs and to improved and cooperation mechanisms. • Beside this activity, specifically targeting VBA, the MTR of the MUTRAP II highlighted that business organisation complaint that not the same attention had been given to the private sector, as to the public sector. According to the MTR <i>“This perception may be due to a misunderstanding (MUTRAP II focused on capacity building of the MOIT, primarily), on the part of some business groups,.”</i> and recommended that <i>“some adjustments could nonetheless be made to the implementation of activities, as explained in the Key Recommendations.”</i> • Furthermore, MUTRAP III targeted (although in a lesser extent than the government) business and academia in its component 2. The main outputs of the activities were: <i>“The organisation of various workshops and study tours and, above all, the publication of three handbooks, the establishment of a widely-used export portal, assistance in the registration in the EU of Vietnamese GI products, and the production (under the seven ‘grant contracts’ awarded to various universities, chambers of commerce and business associations, with a substantial budget of around €1.6 million) of manuals, articles and booklets for dissemination of information regarding trade policy and trade law (in Vietnamese)”</i> According to the MTR, activities were mostly a success and are and its main long term impact should be an increased knowledge of international trade issues by different stakeholders and that the produced materials will, on the long run assist <i>“Vietnam in implementing the Post-WTO Action Plan and facilitate stronger integration into the global trading system.”</i> 	
<p>Intervention MUTRAP II - Multilateral Trade Assistance Project</p>	
<p>MTR 2010</p>	
<p>p.vi</p>	<p>Various business organisations believe they have not been given the same attention under MUTRAP III as the government sector. This perception may be due to a misunderstanding, on the part of some business groups, of the overall objective and purpose of the project. Some adjustments could nonetheless be made to the implementation of activities, as explained in the Key Recommendations;</p>
<p>Capacity building for Vietnamese Business Association – final project report</p>	
<p>p. 48</p>	<p>5 . impact and sustainability</p> <p>The results achieved through the training courses will have a sustainable impact, as they are considered practical, feasible and beneficial for all stakeholders involved. To achieve local ownership after the training courses, the project team has printed four guide books/training manuals for VBAs on soft skills and management knowledge. These training manuals provide tools to help VBAs, and are used as a guidebook for activities of associations in the future. The training courses have been adjusted to be held not only in Ho Chi Minh City but also in Hanoi to give more opportunities for business associations to participate in these training courses. Besides, the workshops also</p>

provided useful information and shared experiences with leading EU experts. This also helped the VBAs to learn of how to organize an attractive and professional workshop.

After completion of the project activities, EuroCham can already see some successes on capacity building on trade policy for VBAs: With the valuable experience from EuroCham and leading experts, VBAs staff who attended training courses have understood more on how to improve services of their association. All participants gave very positive comments on the content of the training courses, the preparation of documents and the organization of training course. They expressed the expectation to attend more training courses on actual skills for VBAs in the coming time.

(..)

Even though the number of **enterprises accessing the activities of the European Trade Information Centre in Ho Chi Minh City (ETIC) is rather limited**, EuroCham hopes that proposed new services for the ETIC will improve the situation and many enterprises can understand the usefulness of the ETIC. For operations of the ETIC, EuroCham has proposed some potential services so that the ETIC can continue operating after the end of the project. Income generated by additional services and potentially advertising/sponsoring will flow back to cover expenses for future ETIC operations.

Outcome

Young Business People Association of Ho Chi Minh City (YBA) has **applied knowledge and experiences from training courses and workshops to improve services to their members and focus more on visibility of associations** like improving their newsletter and membership directory. Besides, YBA has also **written some project proposals** to some donors.

Dong Nai Province's Exporters and Importers Club and the Can Tho Business Association (CBA) has **worked more professional in holding events and training courses**. Staffs of all participating VBAs have learned to set up objectives of their events in line with members' demand.

Other VBAs have become **more involved in a process of policy advocacy** and gained more experience in writing a position paper, holding a roundtable with related Government agencies and approach the mass media with regards to policy recommendations.

EuroCham could also transfer successfully its **own experience of writing the "White Book"** to VBAs, from training on policy advocacy to collecting recommendations, writing position papers, and editing the booklet on **"Trade policy recommendations from VBAs"**. The booklet **was a great success**, and supplemented by a government roundtable and a workshop on book publication and press conference with the mass media. All official partners and other VBAs highly appreciated EuroCham's initiative and hope that EuroCham can be a contact point for VBAs to continue this activity in the future.

This activity particularly gave one more **effective channel for VBAs in policy advocacy for their members**. In a roundtable with related agencies in Ministries and Tax policy department of the Ministry of Finance (MOF) had given **feedback that recommendations in printing invoice and electronic invoice have been considered in new Circulars**. It is good signal for VBAs as they have seen that their recommendations were in line with considerations of the MOF. Other ministries had feedback that the recommendations of VBAs should be more specific. The project team also evaluated that this was the first Whitebook, so it can't have comprehensive recommendations, and there is certainly room for improvement in the following editions. It is a valuable process for VBAs to practice what they have learned and how a process of policy advocacy was implemented.

1,400 Whitebooks have been delivered to 9 official partners and many books have been sent to the Vietnamese Governments for their reference. Some government bodies like Administrative Procedure Control Agency and Justice Ministry, etc proposed EuroCham to send more books for their reference. **The actual influence of this book to policy making need more time to evaluate as the reform in policy of Vietnam can't be done in short time**. And of course it is always hard to trace government action back to a single activity, such as EuroCham's Whitebook. But even where impact cannot be proven, the Whitebook was certainly a valuable exercise for VBA's, and will hopefully be continued in the following years.

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7. Conclusion

During the 27 months project's period, EuroCham has completed all proposed activities on time and successfully. EuroCham was also able to increase the effectiveness of the project by adjustment on locations of some events and topics to make it more relevant for VBAs and their members. The project team has certainly reached all indicators of the project. From the beginning, the project team has implemented all project activities in sustainable ways and created long-term impacts on capacity building on trade policy for VBAs by giving tools on capacity building, providing useful information and creating networking links among VBAs and between VBAs and EuroCham.

Some impacts can be seen after ending of the project: For example, the capacity of VBAs has been

improved; their services are done more professionally, especially on policy advocacy activities. EuroCham's experience on the White Book has been shared successfully with VBAs so that they can continue writing their own similar publications in the future. **However, the coordination among VBAs needs to be further improved and cooperation mechanisms** should be set up to ensure even better action and results. Even though the commitment level of all official partners has not been the same, EuroCham has completed all activities efficiently.

EuroCham hopes that with the designed materials, manuals and publications, VBAs can continue improving their capacity and become an even more effective consultant for the Vietnamese Government. We believe that despite materials available, it will be important for the EU to release additional funds for these activities in the future. Therefore we recommend that as part of MUTRAP IV, further funds will be allocated to training of VBAs to improve their capacities in policy advocacy and trade related issues. This will guarantee a sustainable impact on both VBAs and their members, and benefit the Vietnamese economy in the long run.

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MUTRAP's impact on SMEs, and business in general, is difficult to measure. Its public awareness campaigns are laudable but there is some concern – among the many stakeholders consulted – that the business community's needs are not addressed as well as those of the MOIT and the public sector in general. In view of the extensive work undertaken by MUTRAP III with SMEs and various other business interest, this criticism may be a little unfair. Moreover, it needs to be borne in mind that the main focus of MUTRAP III is on increasing the capacity of MOIT.

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2.2.2.2 Component 2: MOIT coordination with private sector, training and research institutions

While the main focus of this component is to increase the **coordination capacity of the MOIT** (Ministry of Industry and Trade), all the activities undertaken have included other stakeholders – including other ministries, universities, professional and business associations. This component has focused on *(only activities that targets business are listed:*

CB-2: focus on Vietnam overseas market information portal and support for the registration in the EU of Vietnamese GI products. Workshops to launch the Export Portal and database and assistance to *Kien Giang PC and Phu Quoc Fish Sauce Producing Association* to complete procedures for registration of the Protected Designation of Origin in the EU (CB-2);

CB-7: the issuance of seven 'grant contracts' to various universities and business associations to improve teaching and trade policy/law in Vietnamese universities, and to increase the capacities of Vietnamese business associations to provide efficient assistance to their members on trade issues and become an efficient 'consultation partner' to the Government (CB-7).

All the activities under this component also complement each other and are coherent. They have given rise to a better awareness on the part of MOIT, other government agencies, universities and the private sector to issues relating to the negotiation and implementation of WTO rules and international trade agreements generally, coupled with the promulgation of the necessary laws and regulations to facilitate consistency with WTO obligations on particular subjects.

Effectiveness:

The activities under component 2 were also effective and efficient, though this is more readily measurable for some activities than for others. For example, the **Vietnam Overseas Market Information Portal, supported by MUTRAP, has attracted many visitors.** In the first four months of 2010, there were 88,178 visitors to the website with 327,880 pages viewed. On 21 April 2010, the Portal won the **Sao Khue Award 2010 for the quality of the Portal.** (..) A problem (was) that, according to the MOIT, the **manufacturers of the fish sauce in the provinces still do not have a good understanding of the relevance,** or importance, of following international rules in order to register their products in other countries.

The organisation of various workshops and study tours and, above all, the **publication of three handbooks, the establishment of a widely-used export portal, assistance in the registration in the EU of Vietnamese GI products, and the production** (under the seven 'grant contracts' awarded to various universities, chambers of commerce and business associations, with a substantial budget of around €1.6 million) of manuals, articles and booklets for **dissemination of information regarding trade policy and trade law** (in Vietnamese) are **widely considered to have had a beneficial impact and to have gone a long way in meeting the overall and**

specific objectives of the project.

While it is too early to measure their impact on pro-poor economic growth in Vietnam, there is little doubt that they are materially assisting Vietnam in implementing the Post-WTO Action Plan and facilitating stronger integration into the global trading system.

4.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

4.8.2 **JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows**

4.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements

4.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns

Summary for each indicator:

- As a result of the WTO accession, Vietnam introduced liberalisation measures and made Vietnamese trade related laws and practices compatible with WTO requirements which excludes any discrimination of EU products and businesses. According to the MUTRAP II final project report *“the immediate impact of WTO accession was that the value of FDI in Vietnam increased drastically. In 2006, FDI accounted for about US\$ 13 billions, while in 2007 it reached an all time peak of about US\$ 23 billions registered and 8 billions implemented. The export of EU countries has also increased substantially during the life span of MUTRAP II. In 2004 the value of EU exports to Vietnam amounted to USD 8 billions, while in 2007 it reached USD 10 billions.”*
- The CSE notes that consecutive pro-business laws have continuously improved business environment in the last decade. The 2000 Enterprise Law has simplified the process of founding a new business and **Unified Enterprises Law** allows a level-playing field between Vietnamese and foreign companies. However, the CSE also notes, that in some economic sectors (especially sectors where state has still an important weight, e.g. telecommunication, electricity, finance and banking), missing legislation still makes it difficult for foreign companies to establish a local branch. Furthermore, foreign investment is hindered by a long screening process, non-transparent bureaucracy, and an unreliable legal system. The EC does not refer to any EC support that has contributed to the mentioned changes.
- Related to FDI, the CSE highlights that in 2007, the disbursed FDI have doubled, but still a large gap between commitment and disbursements remains. The CSE further states that : *“the EU has made only a modest contribution to new commitments in 2007 (the EU share of registered capital stood at only 2%), the contribution to total disbursed capital remains high.”* The CSE observes that the increased trends towards more FDI is a result of a increased foreign investor confidence, due to Vietnam's WTO accession and the improved legislative framework for doing business (see above). The EC, due to its WTO accession support might have contributed to the changed business environment. Unfortunately, the CSE does not establish a clear link between specific EC support and increased FDI.

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Project Result 5: Improved conditions of doing business in Vietnam for European operators including enhanced bilateral market access of Vietnamese and European business operators.

Performance assessment: As a result of WTO accession Vietnamese exporters have a more stable access to foreign markets and EU and other business operators enjoy more favorable conditions in exporting to Vietnam or carrying out business activities in the country.

The more favorable conditions for foreign business are stemming from the liberalization measures introduced by Vietnam as a consequence of WTO accession and also from making Vietnamese trade related laws and practices compatible with WTO requirements which excludes any discrimination of EU products and businesses. The WTO accession conditions specify the specific steps which have to be undertaken by Vietnam to increase the transparency in its licensing procedures in the area of both trade in goods and services. The immediate impact of WTO accession was that the value of FDI in Vietnam increased drastically. In 2006, FDI accounted for about US\$ 13 billions, while in 2007 it reached an all time peak of about US\$ 23 billions registered and 8 billions implemented. The export of EU countries has also increased substantially during the life span of MUTRAP II. In 2004 the value of EU exports to Vietnam amounted to USD 8 billions, while in 2007 it reached USD 10 billions.

CSE

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Regulatory reforms, market opening in sectors where EU firms have comparative advantages accelerated

As bilateral trade and FDI inflows show (see under JC 4.5), EU firms are active across almost all sectors of the Vietnamese economy. They have therefore benefitted from the general drive to market opening and regulatory reforms as well as Vietnam's rapid integration into the regional and global economy. The turning point for Vietnam's development towards a market-based economy was the implementation of the **new Enterprise Law in 2000**, which **simplified the process of founding a new business by easing application procedures**. The law was followed by an amendment to the constitution granting the private sector the same status as Vietnam's public sector. Both the new legal conditions and a changed political climate have triggered a boom in the founding of new businesses.

In 2007, around 59,000 private companies were established. This reflects the continued improvement in the business environment as a result of **pro-business legislation such as the Common Investment Law and the Unified Enterprises Law** that created a **level playing field between local and foreign firms**. Since 2000, more than 259,000 new companies have been set up, many of them Small and Medium Enterprises (1).

However, many obstacles to the development of the private sector remain. Discrimination in the implementation of state policies regarding credit, real estate and training results in the private sector and the public sector receiving different treatment. State monopolies are still common. While some forms of pricing have been liberalised, the state still sets many important prices, including the (foreign) exchange rate, interest rate and the prices of some goods. Some sectors of the economy are directed by the market, but many branches still depend on state plans (telecommunication, finance and banking, transportation, electricity and water supply). Among the main problem of Vietnam's economy is missing legislation in key areas. **For example, lack of legislation leaves foreign companies unable to register local branches**. A new decree announced by the government in July 2006 failed to provide guidance on the issue. At the same time, the implementation of new laws is sometimes hindered by the fact that disagreement between interest groups in the government and the CPV continues even after legislation had been passed by the National Assembly. It seems that many pieces of legislation in Vietnam are unveiled without proper evaluation of their impact. **Foreign investment is hindered by a long screening process, non-transparent bureaucracy, and an unreliable legal system**. The judiciary is weakened by widespread corruption, which inhibits the effective enforcement of contracts (2).

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I-4.5.8: European FDI in Vietnam increased and diversified

WTO accession largely contributed to increased foreign investors' confidence in Vietnam's business environment, the establishment of a **level playing field with domestic companies and improved transparency** and the **quality of the regulatory framework**. However, a large gap between commitments and disbursements remains. 2007 only saw disbursements of around US\$ 8 billion. While this implies more than the doubling of the absolute amount of disbursed FDI year-on-year, it still

represents a 60% gulf between commitments and disbursements. **While the EU has made only a modest contribution to new commitments in 2007** (the EU share of registered capital stood at only 2%), the contribution to **total disbursed capital remains high**. While actual figures remain unavailable from local authorities, it is estimated that the EU continues to rank second after Japan, in terms of total disbursements nearing US\$ 5 billion (Indicators 4.5.8.)

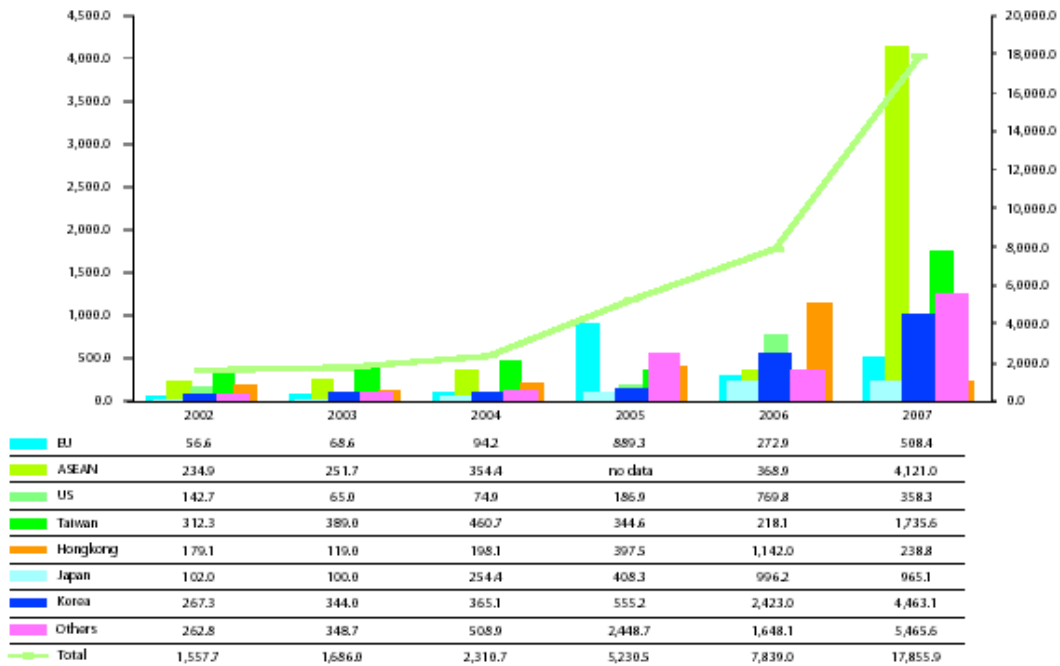
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WTO accession largely contributed to increased foreign investors' confidence in Vietnam's business environment, the establishment of a level playing field with domestic companies and improved transparency and the quality of the regulatory framework. However, a large gap between commitments and disbursements remains. 2007 only saw disbursements of around US\$ 8 billion. While this implies more than the doubling of the absolute amount of disbursed FDI year-on-year, it still represents a 60% gulf between commitments and disbursements. While the EU has made only a modest contribution to new commitments in 2007 (the EU share of registered capital stood at only 2%), the contribution to total disbursed capital remains high. While actual figures remain unavailable from local authorities, it is estimated that the EU continues to rank second after Japan, in terms of total disbursements nearing US\$ 5 billion. In 2007 total annual new FDI inflows (registered capital) increased more than eleven-fold, while FDI originating from the EU grew only by about nine times – however, since 2002 there have been significant fluctuations in EU FDI inflows. The 2007 increase was mainly the result of Vietnam's WTO membership.

Over a period of almost two decades since the opening of Vietnam to FDI (1988-2006), FDI in Vietnam has been dominated by regional investors. Investors from the Asian region accounted for 67% of inward FDI flows in Vietnam. As a late comer in Vietnam, US FDI has increased significantly since the conclusion of the Bilateral Trade Agreement in 2001. EU investors accounted for a cumulated 10% of projects, 15% of total investment capital and 20% of registered capital over the 1988-2006 period. Research during the field mission will try to shed some light on the reasons for the significant fluctuations in European FDI inflows and share of total EU FDI as this phenomenon is not comprehensively analysed and explained in the existing documentation and literature.

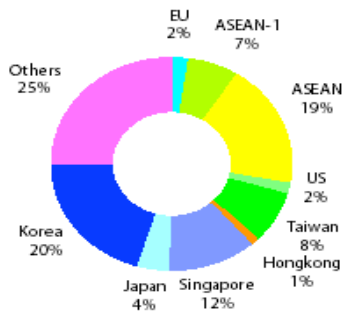
Manufacturing has absorbed the bulk of FDI inflows in Vietnam - in terms of the number of projects, registered capital and implemented capital – followed by services and agriculture. According to figures published by GSO the Ministry of Planning and Investment (MPI), all sixty four provinces in Vietnam have received FDI. However, the distribution of FDI across provinces is very uneven with the South East region (covering Ho Chi Minh city and its surrounding provinces) accounting for the largest share of FDI. In the North, Hanoi and neighbouring provinces account for the second largest share of FDI, leaving a very small proportion for other regions (1).

New FDI inflows by registered capital in 2007 (USD mil)
(new projects only, excluding capital increases in existing projects)



Source: Ministry of Planning and Investment

Registered FDI by 2007



4.8.2.3 I 8.2.5 - Availability of quality investors' information/guides

4.8.3 JC 8.3 Improved access to trade finance

4.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed

4.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

4.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

4.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors

Summary for each indicator:

- According to the CSE, bilateral trade (EU-Vietnam) and investment relations have quantitatively and qualitatively improved. However, the CSE cannot indicate specific EC interventions that has contributed to this trend. The CSE concludes: *“As it is usually the case, any empirically sound judgment on the specific impact on EC-funded programmes on the improvement of trade and investment relations is impossible to make as the EC’s role towards reform processes in Vietnam cannot be analytically isolated from other factors.”*
- EC supported SMEs through the Small and Medium-sized Enterprise Development Funds I and II, since 1998. However, according to the CSE: *“the documentary evidence does not provide any findings on the impact of activities funded under the programme on SME’s export competitiveness”*

CSE

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4.5: EC-VN trade and investment relations improved in both quantity and quality

All indicators point in the direction of **quantitatively and qualitatively improved bilateral trade and investment relations**. The volume of EU-Vietnam trade has almost doubled between 2000 and 2007; it grew much faster than the EU’s total trade with ASEAN which increased by about 15% from € 116.9 billion (2002) to € 135 billion (2007). In 2007, the EU overtook Japan to become the second largest trading partner of Vietnam and, followed China (the largest trading partner) closely (Indicator 4.5.1). The EU stabilised its trade deficit with Vietnam at around € 4.26 billion (US\$ 5.65 billion) in 2007, somewhat lower than the historical record of € 4.43 billion in 2006 (Indicator 4.5.3).

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The EU stabilised its trade deficit with Vietnam at around € 4.26 billion in 2007 (US\$ 5.65 billion), somewhat lower than the historical record of € 4.43 billion in 2006. Redressing the deficit has been possible due to an unexpected (in light of the strength of the €) surge of EU exports to Vietnam, which grew significantly by 53.19%. This unprecedented large expansion of exports by the EU to Vietnam was attributed to the significant jump in high-tech products such as boilers-machinery and mechanical products [nearly € 838.2 million], electrical machinery and equipment [more than € 450.7 million], aircraft [more than € 335.1 million], ships [over €100.6 million], and vehicles [nearly € 228.6 million] (1)

Chart: EU Exports to Vietnam

Products (Sic Sections) by order of importance	Mio euro	%	Share of total EU exports
TOTAL	3.592	100,0	0,3
Machinery and transport equipment	1.661	46,2	0,4
Manuf goods classif. chiefly by material	419	11,7	0,3
Chemicals and related prod., n.e.s.	417	11,6	0,2
Food and live animals	210	5,9	0,5
Miscell. manuf. Articles	136	3,8	0,1
Crude materials inedible, except fuels	95	2,6	0,4
Commodit. and transactions n.e.c.	31	0,8	0,1
Beverages and tobacco	19	0,5	0,1
Mineral fuels, lubricants and rel. Materials	4	0,1	0,0
Animal and vegetable oils, fats and waxes	2	0,1	0,1

Source: DG Trade, http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113463.pdf

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Share of private sector/SMEs in Vietnam's exports rising

Challenges are faced by the fast growing SME sector in a competitive international environment. While the EC has been supporting SMEs since 1998 through the Small and Medium-sized Enterprise Development Funds I and II, **the documentary evidence does not provide any findings on the impact of activities funded under the programme on SME's export competitiveness** (Indicator 4.5.7).

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Vietnamese economy remains on a steep growth path. This growth is mainly driven by small and medium enterprises (SMEs) which are classified as companies with less than 300 employees or a market capitalisation of less than VND 10 billion. The origin of the EC's support for SMEs in Vietnam dates back to 1997 with a project on SME development (the Small and Medium-sized Enterprise Development Fund I/SMEDF until December 2000) with the Ministry of Labour, Invalids and Social Affairs acting as the Executing Authority. Un-disbursed funds from this project were made available for a further phase (SMEDF II, until 2008) in order to continue addressing the main constraints that SMEs are facing, namely access to medium - and long-term credit for undertaking investments in the creation or extension of production capacities. Inter alia, SMEDF II assisted Vietnamese SMEs to export goods to the EU. The new fund was set up to be administered by the Vietnamese Development Assistance Fund (DAF) which was later transformed into the Vietnam Development Bank (VDB). The capital is lent to three private and one state bank at slightly concessional conditions with the objective to enhance the banks' operations in the SME sector. Additionally, SMEDF II provides training to bankers and SME managers related to SME lending procedures, business planning, training and interview skills, etc. The SMEDF II fund constitutes only 1-2% of the SME lending portfolio of Vietnamese banks and therefore remains marginal, but has improved the availability of medium and long term loans .

4.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors

4.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).

Summary for each indicator:

- The activities related to **agriculture** under MUTRAP II have helped to increase awareness and knowledge on Vietnam's obligation and commitment under the WTO Agricultural commitment,, esp. concerning Vietnam's rights and obligations in relation to labelling, traceability, rules of origin and geographical indication and related to the benefits, rules, procedures, best practices and negotiating techniques in relation to equivalency and mutual recognition agreements in the agricultural and agro-foods industry. Person benefitting from EC support: Ministry of Agriculture and Rural Development, Agencies, Vietnam's agricultural and agro-foods industry
- Problems highlighted by the external final evaluation:
 - AGRI I: could have been **more effective** if the target groups **were smaller**. Especially relevant for activities aiming at capacity building in a complex area. However the stakeholders and in particular the MOIT who are responsible for co-ordinating negotiations in the ongoing DOHA round expressed great satisfaction to the evaluation team with the output of the activity and believed their competence in this areas has much improved as a result.
 - AGRI II: Similar wide target group than AGRI I. The activities **were well received by the beneficiaries** and stakeholders and were judged to be of **use to exporters and to government officials** in understanding and facilitating exports to international markets.
 - AGRI III: due to specificity of this subject matter the evaluation team believe that its implementation could have been more effective if the **target group was confined to the MARD the MOST, MOIT and the MOH** as the issue is very technical and these are the ministries who are likely to be involved in securing agreement on issues of equivalence and mutual recognition.
- Activities related to **services** sector under **MUTRAP II**: activities had the aim to facilitate the implementation of GATS obligations and commitments undertaken in the framework of WTO accession, including assisting Ministry of Justice and relevant Ministries to scrutinise relevant national legislation/regulation against GATS obligations and commitments
 - SERV1, 2 : Services related to fulfilling GATS obligation (see EQ4)
 - SERV 3: carried research on relevant forms of **banking services, regional and bilateral banking agreements**, and the effects of **banking liberalization** on competition and **illegal transaction on the banking sector**. During the implementation of this activity some disagreement arose between Bank of Vietnam (SBV), main beneficiary, and the EU experts. Despite this, the evaluation team concluded that the output was of significant value to the SVB.
- Activities related to **services** sector under **MUTRAP III**: At the time of the writing of the MTR, only 3 of the 10 activities tackling the service sector had already been finalised. These are:
 - SERV-7: the trade in services statistical capacity building with the General Statistical Office:
 - SERV-2A: the formulation of the services sector development strategy to 2020
 - (SERV-4:study of the impact of the distribution services on Vietnam

SERV-7 and 4 almost finished activities have produced good results, particularly the support to the GSO on trade in services statistical data. The distribution services study is of a good quality. SERV-A was added on request of the MPI, and provided capacity building and support for the formulation of a future service strategy. It is seen as highly relevant and necessary for the country.

SERV 4 focused on providing assistance to set up a **GATS Enquiry Point to meet the transparency provision of the WTO GATS**.. The beneficiaries and other stakeholders expressed satisfaction with the outcome.

SERV- 5 provided **TA to the General Statistics Office (GSO) to set up a statistical system for trade in services**.. The GSO expressed great satisfaction with the outcome and believes their capacity has been significantly strengthened in this are at both an individual and institutional level.
- Activities financed through **regional EC programmes**. EC regional support was provided to Vietnam to address requirements from the **regional level (ASEAN)**, and Vietnam profited in particular from the **Standards programme and ECAP**. The final evaluation report of the EC-

ASEAN Economic Cooperation Programme on Standards, Quality and Conformity Assessment, **presented the Vietnam component as one of the most successful ones of the project.** According to the CSE: “ *in Vietnam’s food sector, the common ASEAN requirements were developed on food safety, food hygiene and labelling. In the cosmetics sector, the ASEAN Directive was explained and assistance given for its implementation. In the pharmaceutical sector, the ASEAN Technical Common Dossier (ACTD) was adopted. In the EET sector, the ASEAN common regulatory regime was adopted. The food sector benefited from the programme support especially in the fisheries sector. Furthermore, a Vietnamese laboratory was selected as reference laboratory for the ASEAN region. Overall, the evaluation concluded that the standards programme was in line with the objectives of ASEAN economic cooperation and to in-country needs*”.

MUTRAP II –

Final project report

Output, evaluation and impact prospects of each activity: AGRI I, II and III

AGRI 1: “Review of Vietnam’s commitments under the Agreement on Agriculture and proposal of policies in line with WTO”

The final Report of AGRI-1 is the main output of the activity. It reviews Vietnam’s WTO obligations and commitments and analyses their implications, based on which, the EU and local experts **made a number of recommendations for possible regulatory changes**; The final Workshop to disseminate findings and recommendations was organized on 5 April 2007 in Ha Noi and was attended by about 120 participants.

Evaluation of the activity The output of the activity has fully met the requirements provided in the TORs. AGRI-1 appears to have considerably **helped in increasing the awareness and knowledge on Vietnam’s obligations and commitments** under the Agreement on Agriculture and it has provided recommendations so **that Vietnam may adequately support its agriculture in both WTO-consistent and economically sustainable** ways. This will allow the relevant line Ministries and Government Agencies to adequately reflect Vietnam’s new agricultural obligations and commitments in domestic policymaking and provide for its agricultural sector’s necessities and developmental needs.

Impact of the programme, including achievement in capacity building The activity successfully involved a number of key ministries, agencies and Vietnamese beneficiaries in both the research and information-gathering phase and in the project dissemination phase with the final workshop and outreach activities. The capacity building and positive impact of the activity can already be felt in relation to the active involvement and improved stand in the framework of the Doha Round of multilateral negotiations on agriculture.

AGRI 2: “Improving the marketability and competitiveness of Vietnamese agricultural products and processed foods”

- The final Report of AGRI-2 is the main output of the activity. It reviews **the relevant rules on labelling/traceability under the WTO, EC, US and Vietnamese frameworks**, the WTO and Vietnamese **rules of origin applicable to the agro-food sector**, and **the legal framework for GIs** with specific focus on the requirements for the preparation and submission of an application before the European Commission for protection of “Phu Quoc Fish Sauce” as a registered GI in the EU;

- Dedicated meetings on GIs were held with the Department of Science and Technology of the People’s Committee of Kien Giang Province and the Phu Quoc Fish Sauce Association in Phu Quoc island; and

- A final Workshop to disseminate findings and recommendations was organized on 5 March 2008 in Ho Chi Minh City and was attended by 105 participants.

Evaluation of the activity: The output of the activity appears to have met the requirements provided in the TORs. In particular, AGRI-2 appears to have considerably helped in **increasing the awareness and knowledge on Vietnam’s rights and obligations in relation to labeling, traceability, rules of origin and geographical indication**. This is of crucial importance both for purposes of improving the marketability and competitiveness of Vietnamese agricultural products and processed foods and for purposes of allowing Vietnam to negotiate and review these issues within the relevant international fora, in primis the WTO.

6. Impact of the programme, including achievement in capacity building The activity is expected to improve the marketability, competitiveness of Vietnamese agricultural products and processed foods by better understanding, making strategic and systematic use of the applicable rules on geographical indications, labeling and rules of origin. **This positive impact cannot be measured in the short-term**, but it is expected that the large participation of economic operators to the final workshop, together with the dissemination and outreach activities conducted by MUTRAP, will result in greater awareness of these issues and positive effects in terms of export performance. The more specific objective sought by the activity in relation to GIs (i.e., the application for registration of “Phu Quoc Fish Sauce” as a protected GI in the EU) is also expected to reap important commercial benefits in the medium-long term. For instance, it is expected that the Consortium of the Phu Quoc producers of the original “Phu Quoc Fish Sauce” will be again the sole operators allowed to place “Phu Quoc Fish Sauce” on the EC market, defeating a

competing trademark that currently could prevent their access to the EC and, at the very least, compete misleading the final consumer as to the actual origin of the fish sauce being sold.

AGRI-3: “Study on relevant WTO rules on equivalency and mutual recognition and existing bilateral agreements between WTO Member countries of interest to Vietnam”

Output: AGRI-3 focused on improving Vietnam’s market access to its major markets in food products from the perspectives of utilizing the WTO provisions equivalence and mutual recognition. The studies revealed that in WTO practice, the equivalence and mutual recognition arrangements between developing countries and developed markets are very rare. The regulatory and SPS infrastructural requirements are so stringent that the chances of a successful initiation of such arrangements for Vietnam in the coming years are minimal. The studies have identified the product areas (i.e., fresh fruit, cut flowers, honey, pork meat and fisheries products) where the business sector would welcome equivalence and MRAs. The prepared papers and the knowledge acquired in the framework of the activity can be used for the creation of appropriate conditions for the future initiation of equivalence and MRAs in accordance with the WTO provisions.

5. Evaluation of the activity . In particular, AGRI-3 appears to have considerably helped in increasing the awareness and knowledge of Government officials and Vietnam’s agricultural and agro-foods industry of the benefits, rules, procedures, best practices and negotiating techniques in relation to equivalency and mutual recognition agreements.

6. Impact of the programme, including achievement in capacity building AGRI-3 appears to have helped **MARD** (Ministry of Agriculture and Rural Development) **and other stakeholders** interested in agricultural exports to identify the possibilities and the conditions to **use mutual recognition** and equivalency in promoting exports. The choice of highly specialized local experts and the involvement of relevant industries both in the research phase and outreach stage of project implementation, have allowed AGRI-3 to make relevant and effective contributions to key Government officials and export oriented enterprises.

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In **Agriculture area**, the Project activities were to facilitate the **adoption of internal policies** to meet the obligations and commitments under the WTO Agreement on Agriculture, as well as **to improve the marketability and competitiveness** of Vietnamese **agricultural products** and **processed foods**.

Three major reports were completed in this area: (i) a Report which reviews the **status of agricultural production and trade in Vietnam**, agricultural policies used, comparison of WTO obligations and recommendations on the necessary regulatory changes. Review of the WTO DDA negotiations and their implications for Vietnam (AGRI I); (ii) A Report which reviews the **relevant rules on labelling/traceability under WTO, EC, US and Vietnamese frameworks**, rules of origin applicable to the agro-food sector and the legal framework for geographical indications with specific focus on preparing a submission of application before the EC for protection of “Phu Quoc Fish Sauce” as a registered GI in the EU (AGRI II); and (iii) a Report on the **relevant WTO rules on equivalency and mutual recognition**, a thorough review of existing bilateral agreements between other WTO Member countries of interest to Vietnam, and recommendations for Vietnam to request and negotiate the conclusion of equivalency agreements or mutual recognition agreements as well as a technical and negotiation strategy (AGRI III);

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Result 1: “Increased Government capacity to enter WTO timely and meet requirements for membership including progress in sector specific issues and to be well prepared with sound policy choices to cope with trade and economic re-structuring as a result of WTO accession”.

In the **Agriculture segment** 3 activities were completed.

ARGI-1 focused on building capacity in meeting Vietnam’s obligations and commitments under the WTO Agreement on Agriculture, with particular focus on domestic support and export subsidisation. Originally planned for implementation in the 2nd and 3rd quarter of 2006, this **activity postponed to the 1st and 2nd quarter of 2007** due to the delay in Vietnam joining the WTO.

The **target groups included officials in MOIT, MPI, MARD, MOFI and the NCIEC** at **central and provincial government** level as well as the **business community**.

It could be argued that the implementation could have been **more effective** if the target groups **were smaller**. This is particularly cogent for activity designed to build capacity in calculating the aggregate measurement of support to agriculture allowable under Vietnam’s WTO commitments given its

complexities. However the stakeholders and in particular the MOIT who are responsible for co-ordinating negotiations in the ongoing DOHA round expressed great satisfaction to the evaluation team with the output of the activity and believed their competence in this areas is much improved as a result.

AGRI-2 focused on a number of market access and market approach issues including geographical indications. The target group was similar to AGRI-1. The intended outcome was to improve the marketability and competitiveness of Vietnamese agricultural products and processed foods by better understanding and making strategic and systematic use of the applicable rules on geographical indications. Four reports were produced and workshops were held in Hanoi and HCMC. The activities **were well received by the beneficiaries** and stakeholders and were judged to be of **use to exporters and to government officials** in understanding and facilitating exports to international markets.

AGRI-3 focused on WTO rules on equivalency and mutual recognition. The targeted beneficiaries were MARD, MOFI, MOIT, MOI, MOH, MOST, MPI, OG, NCIEC, and VCCI. A final report was prepared with a work shop for presentation of the findings. It was implemented as planned without any delay. Given the **specificity of this subject matter the evaluation team believe that its implementation could have been more effective if the target group was confined to the MARD the MOST, MOIT and the MOH as the issue is very technical and these are the ministries who are likely to be involved in securing agreement on issues of equivalence and mutual recognition.** Despite this reservation the evaluation team believe that activity contributed to some degree to raising awareness of market access issues and the multilateral and bilateral mechanisms available to Vietnam to address these issues.

In the **Services segment** 5 activities were completed. +

SERV-1 focused on building **capacity in meeting Vietnam's obligation and commitment under the WTO GATS.** Originally planned for implementation in the second and third quarter of 2006 this activity postponed to the 3rd and 4th of 2007 due to the delay in Vietnam joining the WTO. The target group was "all line Ministries and Government Agencies". A final comprehensive report was prepared and the results were presented at a final workshop. The effectiveness in implementing this activity was strengthened by the fact that many of the local experts who prepared the report were seconded from the line ministries and government agencies. This increased the sense of ownership among the main beneficiaries who also benefited from using the final report as a reference book in their day to day work in this area.

However the evaluation team believe that the implementation **could have been more effective if separate reports on each service were produced and separate workshops held on each service for more clearly defined target groups.**

SERV-2 was contingent on completing SERV-1. It was primarily focused on building in the MOJ to meet **Vietnam's legislative commitments under the WTO GATS** in cooperating with other relevant line ministries. While the activity clearly benefited the MOJ the evaluation team similarly believe that its implementation could have been more effective if **separate reports on the legislative requirement for each service were produced and separate workshops held to present the results in co-ordination with SERV-1.**

SERV 3 carried research on relevant forms of **banking services, regional and bilateral banking agreements,** and the effects of **banking liberalization** on competition and **illegal transaction on the banking sector.** The main beneficiary was the State Bank of Vietnam SVB. A final report and a book of research documents were prepared and the findings were presented in workshop. During the implementation of this activity some disagreement arose between SVB beneficiary and the EU experts. Despite this, the evaluation team concluded that the output was of significant value to the SVB.

SERV 4 focused on providing assistance to set up a **GATS Enquiry Point to meet the transparency provision of the WTO GATS.** Again the beneficiaries appear satisfied with the outcome. A report and workshop were prepared. The beneficiaries and other stakeholders expressed satisfaction with the outcome.

SERV- 5 provided **TA to the General Statistics Office (GSO) to set up a statistical system for trade in services.** The TA includes hands-on training including assistance in planning and assistance to implement a pilot survey to collect data from selected enterprises on insurance premiums and freight charges on goods imported into Vietnam during 2005. The activity was implemented in 2 stages as planned. A final report was prepared and a number of workshops were held for the GSO and other

interested stakeholders. This was arguably the most successful activity implemented. The GSO expressed great satisfaction with the outcome and believes their capacity has been significantly strengthened in this area at both an individual and institutional level.

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Institutional reform

While MUTRAP II did not address institutional reform directly, **some activities necessitated changes in administrative procedures and in some case in institutional arrangements in order to implement the activities or to implement newly acquired knowledge and capacity.** The main activities where these changes were clearly required were **SER 5, HOR 3, TBT/SPS 1, 2 and 3,** and HOR 10. Under SER 5 the CSO who are the main beneficiary changed their administrative procedures to incorporate the systematic collecting of data on trade in services including the carrying out of industry sector surveys to collect the data. Under HOR 3 some universities introduced a new course focused on international law and WTO issues. This required change in their administrative procedures. The TBT/SPS activities required the creation of new institutional arrangements and separate departments to manage the Enquiry points that were set up in MARD and STAMEQ. New administrative procedures were developed to operate and manage the Enquiry points. The evaluation team concluded that this was a very successful outcome in the context of institutional reform although, as we have already mentioned in section 2.2.1 the effectiveness of locating a network for a permanent and information-exchange between Government agencies and business community in STAMEQ is questionable given the highly technical nature of its work.

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(2.2.2.4 Component 4: Trade in Services

*Component 4 has targeted the services sector for the interventions which is relevant in Vietnam as the services sector is underdeveloped and there are many impediments in this sector. The service sector development strategy is particularly important if the recommendations are followed and implemented in the next few years. The distribution services sector study is of a good quality. The **services statistical capacity building** with the GSO will have a long-lasting impact on Vietnam although the scale of the activities is relatively small. It requires a longer and larger project (or component of a project) to support the capacity building effort in the area.*

The service sector plays an important role in economic development in many countries. However, the services sector in Vietnam is underdeveloped. As a result, the GoV wishes to expand the services sector substantially in the next 10 to 15 years. Vietnam also made a lot of WTO commitments in the services areas in the WTO accession process. In the FTA negotiations, Vietnam is making further commitments on services. Therefore, Vietnam is also facing many challenges in the services area.

Under MUTRAP III, there were originally nine planned activities. At the request of the beneficiaries, particularly the MPI Ministry of Planning and Investment), **SERV-2A** was added to this component. In fact, this was the first activity that was carried out under the component.

SERV-2A: This is the **formulation of the services sector development strategy to 2020** and a vision to 2025. This was considered very necessary and relevant as the MPI was mandated by the GoV to lead the service sector strategy formulation for the country. About five years ago, UNDP assisted MPI (in the trade in services strategy formulation. However, it focused on trade in services issues only. MPI wanted to expand to cover all the service sectors.

MUTRAP III responded to the request of MPI positively and immediately added an activity for the purpose. the MPI representatives, who expressed high appreciation for the support of MUTRAP III and the flexibility shown for the service sector strategy formulation which is more relevant than a trade in services development strategy. In addition to the above services strategy formulation activity, the Vietnamese stakeholders emphasize that the other nine activities are also relevant to the needs and priorities for Vietnam.

SERV -7: In particular, **the trade in services statistical capacity building** with the General Statistical Office was highly regarded as a relevant and successful). A series of planned training initiatives were carried out to strengthen the statistical capacity of GSO to carry out the ITS benchmark census and finally a pilot sample survey was planned and conducted in Vietnam. The officials have confirmed that the capacity of GSO has been substantially strengthened in this particularly area. This activity is almost completed. It is planned that the follow-up statistical

initiative will focus on the capacity building of the statistical forecasting in the financial services development (SERV-8). It is well-targeted and systematically planned to strengthen the statistical capacity of GSO in the trade in services area.

The other two activities under the Services Component are almost completed. These include the study of the impact of the distribution services on Vietnam (SERV-4) and the support of the role in Vietnam and Vietnam has also made some commitments on distribution services in the WTO accession process.

SERV-4: As a member of the WTO, Vietnam is required to establish a GATS inquiry point. Under these two activities, the MUTRAP carried out a series of initiatives to strengthen the capacities of the participating government agencies and research institutions. The study on distribution services carried out by DMI and PTF experts is of a good quality although the recommendations are relatively weak. **The study visit to China on the GATS inquiry point** was particularly relevant as China was also a new member to the WTO and its GATS inquiry point has also been established not long ago.

In the next two years, MUTRAP III will carry out several planned studies in the services sectors. These include the assessment of the economy-wide impact of services liberalization in key sectors (**SERV-1**), the research on competitiveness of key services sectors and strategy development (tentatively telecom and financial services sectors selected for the studies) (**SERV-2**), the support to development of logistical services in Vietnam (**SERV-3**) and the comparative study of the domestic regulations of the EU, ASEAN and Vietnam in the services sectors. These are all considered highly relevant to the needs and priorities of Vietnam.

The three almost finished activities have produced good results, particularly the support to the **GSO on trade in services statistical data**. The **distribution services study is of a good quality**.

It is anticipated that long-term impact will be relatively high for this component if the planned activities are carried out. In particular, the services sector strategy study is currently being reviewed by the top Vietnamese policy makers. The findings and recommendations are likely to be considered by the GoV to incorporate into the policy formulation process in the services sectors. In that case, the impact will be much higher if the policy recommendations are implemented. The capacity building initiatives with the GSO and other participating Vietnamese institutions are expected to be sustainable as there are a series of activities designed to strengthen their capacities in those technical areas. In particular, the GSO has already seen the early harvest of the capacity building efforts of MUTRAP III.

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Indicator 4.3.2: Complementarity of EC-supported regional and national technical assistance and capacity building achieved

In terms of **complementarity between regional and national TA/capacity building needs** and responses to these needs, Vietnam profited in particular from the **Standards programme and ECAP**, the latter of which dealt with Intellectual Property Rights (IPRs). The final evaluation report of the EC-ASEAN Economic Cooperation Programme on Standards, Quality and Conformity Assessment, **presented the Vietnam component as one of the most successful ones of the project**.

According to the evaluation, in **Vietnam's food sector**, the common ASEAN requirements were developed on food safety, food hygiene and labelling. In the **cosmetics sector**, the ASEAN Directive was explained and assistance given for its implementation. In the **pharmaceutical sector**, the ASEAN Technical Common Dossier (ACTD) was adopted. In the EET sector, the ASEAN common regulatory regime was adopted. The food sector benefited from the programme support especially in the **fisheries sector**. Furthermore, a Vietnamese laboratory was selected as reference laboratory for the ASEAN region. Overall, the evaluation concluded that the standards programme was in line with the objectives of ASEAN economic cooperation and to in-country needs (2).

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Capacity of Vietnamese companies to benefit from global integration strengthened

The capacity of Vietnamese companies has been strengthened mainly through the Vietnam Private Sector Support Programme (VPSSP, 2004-2008) and generally the manifold activities of EuroCham.

Ever since the launch of Vietnam's "strategy for accelerated industrialisation and modernisation along socialist lines" in April 2001, promotion of the private sector has one of the main components of the EC strategy to support integration of Vietnam into the international

economy. The VPSSP's intervention logic was based on the assessment that increased numbers of small and medium-sized enterprises (SMEs) will be required to drive the modernisation of Vietnam's economy and to **maximise export and industrial co-operation opportunities** (1). In the context of Vietnam's economic policy to support private sector development, the VPSSP was relevant as its overall approach contributed to the GoV's commitments to improve the overall business climate (2). The VPSSP followed GoV policy in strengthening the position of SMEs towards the regional and global environment (3).

As part of various activities, the European Chamber of Commerce helped Vietnamese companies **to benefit from international trade opportunities** – mainly through **facilitation contacts between European and Vietnamese companies**. EuroCham has assisted around 600 European businesses to seek partners in Vietnam through its active operation in the country since its establishment a decade ago. The chamber has held up to 20 business seminars in big cities such as Hue, Can Tho, Nha Trang, Buon Me Thuot, Hanoi and Ho Chi Minh City, bringing EU and local businesses together since early 2007. Furthermore, EuroCham has hosted various events to provide information on the EU market to Vietnamese exporters, helping accelerate bilateral trade (4).

4.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

4.9 EQ 9 - To what extent has the Commission’s TRA mainstreamed poverty reduction in TRA design and implementation?

4.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

4.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

Summary for each indicator:

- According to the ROM no 2 as well as the MTR of the MUTRAP III project, some efforts have been undertaken to address gender concerns, e.g. via seminars on opportunity and challenges for female employees and officials in the industry and trade sector. The monitoring also shows that 41% of participants in project activities had been women, furthermore : *“Many women, particularly belonging to the younger well educated generation, are notoriously active in trade-relate activities. The three grant projects visited by the monitor were all headed by capable and dynamic women”* (ROM no 2). However, the ROM monitor also noted, that there has not been a explicit gender focus during the preparation and implementation of MUTRAP III’s activities. The MTR assesses, that the *“impact of MUTRAP activities on women in Vietnam, and on other cross-cutting issues, is generally considered to be only moderate”*

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Trade-related support is not the most obvious sector to mainstream gender; as such, it should not be a surprise that gender-differentiated analyses have not been conducted during the preparation and implementation of the project's activities.

The project has however engaged in **impact studies related** to the consequences of (e.g.) new FTA's. In addition, the project has undertaken some specific efforts to address gender concerns, e.g. via a **seminar on opportunities and challenges for female employees** and officials in the industry and trade sector following 3-year WTO membership. Last but not least, **women participate substantially (41%) in project activities**. More in general, many women, particularly belonging to the younger well educated generation, are notoriously active in trade-relate activities. The three grant projects visited by the monitor were all headed by capable and dynamic women.

According to the OECD Gender Policy Marker this project would receive a (0) classification.

Recommendation: It might be important to address - also in view of the EC's poverty focus - the *consequences* of Vietnam's increased economic integration and trade liberalisation on social and gender disparities. This issue is truly important but falls in our view beyond the scope of the project.

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2.5 CROSS-CUTTING ISSUES *General:* It appears that there is no formal strategy that has been adopted by MUTRAP III to address cross-cutting issues in the implementation of the five components. Consideration will need to be given to the adoption of a practical strategy to address cross-cutting issues effectively for the remainder of the project.

2.5.1 Gender Equality

MUTRAP III has sought to implement cross-cutting issues in its activities – particularly in regard to good governance and transparency issues. However, judging by the 62 responses to the Questionnaire that was sent to hundreds of persons involved in the project, the impact of MUTRAP activities on **women** in Vietnam, and on other cross-cutting issues, is **generally considered to be only moderate**. This may not be an entirely fair assessment given that, according to the MUTRAP Office, women account for 41 % of participants in MUTRAP activities.

Moreover, various efforts have been made by MUTRAP III to address gender issues. One recent such activity was the workshop held on 29 December 2009 in HCM City where MUTRAP collaborated with MOIT and the Committee for Progress of Women to address issues relating to **‘Opportunities and Challenges for Female**

Officials and Employees in the Industry and Trade Sector following 3-Year WTO Membership⁷. The seminar involved the active participation of many female delegates representing various organizations and enterprises. One of the conclusions that came out of the workshop was that Vietnam's membership of the WTO has created more job opportunities for women, particularly in industries that are labor-intensive – such as textile, leather shoes, and jobs in the agricultural and aquatic product areas, where demand for labor is increasing. MUTRAP III's increasing activities to support SMEs and consumer protection are other examples where gender equality is likely to improve though it may take time to see concrete results.

4.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

Summary for each indicator:

- One of the MUTRAP II's activities "HOR9" was designed to carry out social and economic impact assessment studies. According to the final evaluation of MUTRAP II this activity had had a positive impact on poverty issues as it has *"at the very least raised awareness of the interrelationship between trade policy and social and economic development, poverty reduction, environmental constraints and gender equality. The evaluation team believe that this will influence trade policy formulation in the long run towards alleviating the negative of growth on cross cutting and accentuating the positive aspects in line with the excellent achievement record of Vietnam on these issues in the last 10 years."*
- The final project report came to the conclusion that MUTRAP II has achieved its final goal of poverty alleviation and this through the accession to the WTO. The final evaluation comes to the same conclusion, however acknowledges that impacts of MUTRAP on poverty reduction is difficult to measure: *"It is difficult to measure but the evaluation team are confident that MUTRAP II has had a wider impact in this regard."*
- The ROM no 2 of MUTRAP III as well as the CSE highlights that MUTRAP III has engaged to conduct a social impact assessment, e.g. for new FTAs. Nevertheless these efforts, the CSE criticise that linkages between trade and poverty have not been articulated well enough in the EC support to TRTA and concluded: *"Some obvious vulnerable groups, such as the aged, have been targeted through small NGO projects, but have not been consistently thematised in the EC programme. We have documented the failure of rural development projects to come to grips with the problems of the poorest groups, often members of ethnic minorities, and the fact that the relatively well-to-do (who may nonetheless be themselves poor) benefited more than the very poorest populations."* And *"While all programming documents on EC project activities directed at the support of Vietnam's economic reform process and, related, regional and global economic integration point to the overarching goal of poverty reduction, explicit linkages between integration and poverty reduction are not usually established. The project document for PRSC general budget support is the notable exception. (...)EC bilateral and regional programmes with a specific focus on integration discuss poverty as part of the respective context/background sections but explicit indicators related to poverty are do not usually find their way into monitoring (Indicator 4.4.2). Furthermore, positive and/or negative impacts of economic integration on poverty reduction are not expressly addressed by EC strategic documents, although the CSPs 2002-2006 and 2007-2013 hint at this aspect."*
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Analyzing the impact of trade liberalization and WTO accession on the Vietnamese economy and society

HOR-9 was the last and at the same time the most complex of MUTRAP II activities. It analyzed the impact of trade liberalization and WTO accession on Vietnamese economy and society in a very sensitive period when Vietnam, as most economies in the world, started to feel the impact of the waves of the financial crises in the United States and the following economic downturn. Inflation in Vietnam also greatly increased and the very rapidly increasing food prizes raised the specter of increasing poverty and food shortages in many countries, including Vietnam. This situation puts on the agenda of immediate government intervention in many countries.

HOR-9 was well timed in the meaning that the conclusions of the study prepared by five international and fifteen national experts and the workshops organized **contributed to a constructive debate in**

Vietnam, the essence of which was the identification of the causes of the problems referred to above and working out appropriate measures to remedy the situation. (For a detailed description of the results of HOR-9, in Chapter IV of this report).

The **special importance of HOR-9** was that it helped clarifying that the overlap of the emergence of negative tendencies and accession to the WTO was just a coincidence, and entering of WTO by Vietnam and the related trade liberalization cannot be made responsible for the rapidly rising inflation and increasing food prices. The situation was similar in many developing and developed countries as well, many of them original members of the WTO.

One of the **major lessons of HOR-9** was that **impact assessment**, which is a professionally very complex exercise and needs donors' support, **should be included in all major TRTA projects.** The correct assessment of the resulting impacts of WTO participation, the conclusion of new regional and bilateral agreements, **puts trade measures in a wider context and contributes to the working out of policy and other measures** which are to be adapted to the specific situations of the countries concerned. HOR-9 fulfilled this function and occupied a special place among MUTRAP II's programmes.

Description of activities and output of HOR-9: Comprehensive evaluation of the impact of increased key imports exports and regulatory changes resulting from Vietnam's WTO membership

Objectives

The objective of this activity is to enhance the effectiveness of and take advantage of Vietnam's participation to the WTO. This must be seen not only in light of the integration in the world economy through a multilateral approach, but also by means of negotiations and further liberalization through regional initiatives and plurilateral commitments. In particular, this task evaluates the impacts of implementation of WTO commitments on the economy in all aspects (organisation, technical and administrative arrangements, human resources, confidence-building) and to provide action-oriented recommendations to relevant ministries and stakeholders on how to efficiently implement WTO commitments nation-wide and policy instruments to cope with negative impacts, helping them adapt to new situations.

Output:

The main outputs of this activity is the impact assessment report containing action-oriented recommendations to relevant ministries on how to efficiently implement WTO commitments and policy instruments to cope with eventual negative impacts following from WTO accessions. The report is divided into five chapters: the first one is dedicated to the analysis of the impact on macroeconomic variables; the second deals with the effects on the trade performances, while the third analyzed the effects on industries and agriculture. The fourth chapter scrutinize the business environment while the last one investigated the impact on social issues.

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Recommendation

Future TRTA programs and related activities need to provide explicit recognition and action plans for cross-cutting issues related to vulnerable groups, poverty alleviation and the environment.

Conclusion and lessons learnt

MUTRAP II has fulfilled its mandate, it has finished all the specific activities prescribed and has achieved the main objective and purpose laid down by its basic documents. During the life time of the Project, **Vietnam has laid down the conditions for sustained and stable economic growth through stronger integration into the multilateral trading system, which included membership in the WTO, which greatly contributed to poverty alleviation.** The purpose of the Project has also been fulfilled, MUTRAP II has strengthened the capacity of the Government to manage the WTO accession process and meet related commitments;

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Many of the horizontal activities (...) raised awareness of the need to address social and environmental crossing cutting issues in trade policy formulation in order to ensure GoV economic strategy is socially and environmentally sustainable and supports poverty alleviation. This is the wider impact of MUTRAP II as set out in the overall objective. It is difficult to measure but the **evaluation team are confident that MUTRAP II has had a wider impact in this regard**. This is based on an assessment, during interviews and discussions, of the commitment of the Project partner, other beneficiaries and key stakeholders to the Project, the level of their participant in MUTRAP II activities and the high level of visibility of the Project (see next paragraph). The evaluation team believe that this will help create an enabling environment for the implementation of the GoV's Post WTO Action Plan for the and for MUTRAP III.

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Social and economic development and cross cutting issues

The social and economic impact assessment studies carried out as part of HOR-9 has at the very least raised awareness of the interrelationship between trade policy and social and economic development, poverty reduction, environmental constraints and gender equality. The evaluation team believe that this will influence trade policy formulation in the long run towards alleviating the negative of growth on cross cutting and accentuating the positive aspects in line with the excellent achievement record of Vietnam on these issues in the last 10 years. See section 1.2.

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Trade-related support is not the most obvious sector to mainstream gender; as such, it should not be a surprise that gender-differentiated analyses have not been conducted during the preparation and implementation of the project's activities.

The project has however engaged in **impact studies related** to the consequences of (e.g.) new FTA's. In addition, the project has undertaken some specific efforts to address gender concerns..

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Although $\frac{3}{4}$ of the of those who responded to the Evaluation Questionnaire thought that MUTRAP III activities played a substantial role in accelerating economic reform and in implementing pro-poor economic reform through stronger integration into the global trading system, one has to treat this response with some caution; Some of the officials and other stakeholders visited in Hanoi made it clear to the evaluators that it is uncertain whether it can be said that MUTRAP has had, at this early stage, a direct impact on Vietnam's economic reforms (Doi Moi) or on promoting pro-poor economic growth; On the other hand, there is little doubt that MUTRAP's activities have had significant impact on Vietnam's integration into the global system by virtue of the many activities it has sponsored to that end, including various activities to ensure greater consistency between Vietnamese policies, laws and practices with the rule of the WTO and regional agreements.

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2.5 CROSS-CUTTING ISSUES *General:* It appears that there is no formal strategy that has been adopted by MUTRAP III to address cross-cutting issues in the implementation of the five components. Consideration will need to be given to the adoption of a practical strategy to address cross-cutting issues effectively for the remainder of the project. (..)

2.5.2 Environment

There are a number of activities that have an impact on the environment. The most obvious one is WTO-7 (Assistance to the WTO commitments in the SPS and TBT areas) – which has involved the preparation of papers on SPS and TBT requirements, five workshops and a study tour to the Philippines. For example, the activities that have taken place relating to the *Agreement on the Application of Sanitary and Phytosanitary Measures* can be expected to assist the Vietnamese authorities to protect: human or animal life from food-borne risks which arise from the use of additives, contaminants, toxins or disease-causing organisms; human health from animal or plant-carried diseases;

and animals and plants from pests and diseases.

Other activities that are relevant to **enhanced protection of the environment** include those relating to upgrading the Vietnamese consumer protection legislation and raising awareness of consumer protection. The consultants on the subject have recommended the inclusion of a chapter in the proposed legislation to protect health and safety, and to require producers to only place safe products in the market. This, of course, would keep out products that can create environmental as well as personal damage.

The TA T/L has advised the evaluators that environmental issues were touched upon in regard to component 4 (trade in services) and that climate change issues would become a significant element in the consideration of some other activities under MUTRAP III in the next two years.

2.5.3 Other Cross-Cutting Issues : Good governance

There are a number of **indicators for 'good governance', including government effectiveness, the rule of law and control of corruption.** It is expected that MUTRAP III will contribute directly or indirectly to all these goals.

The rule of law in particular is already being promoted. This is the case, for example, in regard to **the adoption of new laws and regulations pertaining to Vietnam's** Post-WTO Action Plan for the Implementation of WTO commitments. Examples of this include activities under WTO-5 (Support MOIT to improve the quality of Vietnamese trade laws and make them compatible with international obligations), upgrading laws on intellectual property, the preparation of consumer protection laws, assistance in the preparation of CFS regulations and specific guidelines for export enterprises to approach foreign markets where CFS requirements are requested, enhancing the capacity of provincial judges and members of the VCC in settling competition restriction cases and supporting programmes at the Foreign Trade Institute and Law centres (such as the Hanoi Law University) to develop greater awareness of trade policy and legal issues not just among the university fraternity but also to encourage them to work closely with policy makers and business associations.

Support for the trade coordination activities of the MOIT, and capacity-building across a wide range of trade areas, **are creating the conditions for a more rules-based and transparent trading system** in Vietnam that will help to provide a better level playing field and minimize corruptive practices. in Vietnam that will help to provide a better level playing field and minimize corruptive practices.

CSE

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Linkages between trade and poverty, broadly assumed, have not been well enough articulated in the EC's support for trade and economy (although MUTRAP III did include a social impact assessment of trade negotiations). Some obvious vulnerable groups, such as the aged, have been targeted through small NGO projects, but have not been consistently thematised in the EC programme. We have documented the failure of rural development projects to come to grips with the problems of the poorest groups, often members of ethnic minorities, and the fact that the relatively well-to-do (who may nonetheless be themselves poor) benefited more than the very poorest populations.

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While all **programming documents** on EC project activities directed at the support of Vietnam's economic reform process and, related, regional and global economic integration point to the overarching goal of **poverty reduction, explicit linkages between integration and poverty reduction** are not usually established. The project document for PRSC general budget support is the notable exception (Indicator 4.4.1)

Apart from PGBS/PRSC, which is obviously built on the purpose of poverty reduction, and the fact that the overarching objective of EC support to Vietnam is the sustainable reduction of poverty (in line with the European Consensus on Development), **EC bilateral and regional programmes with a specific focus on integration discuss poverty as part of the respective context/background sections but explicit indicators related to poverty are do not usually find their way into monitoring** (Indicator 4.4.2). Furthermore, **positive and/or negative impacts of economic integration on poverty reduction are not expressly addressed by EC strategic documents, although the CSPs 2002-2006 and 2007-2013 hint at this aspect** (Indicator 4.4.3).

Indicator assessment : 4.4.1 (Programming documents take linkages between integration and poverty reduction into account)

While this is the case for all regional and bilateral EC interventions in this sector, linkages

between economic development, of which regional and global integration (particularly WTO membership) is a significant part, are most explicitly taken into account in the general budget support which provides resources explicitly focused on poverty reduction through the PRSC process. As outlined in detail under JC4.1, the programme attempts to support nationally developed strategies rather than imposing external policy prescriptions. The programming documents of various activities under the World Bank-administered ASEM Trust Funds, to which the EC has contributed, have also established a clear linkage between economic integration matters and issues related to poverty reduction. For example, a project under ASEM 1 focused on the design of a social safety net programme to deal with labour displacements resulting from economic reforms.

Assessment I4.4.3 (Positive and negative impacts of economic integration on poverty reduction are addressed by EC strategy and projects and part of the policy dialogue with the government)

Strategic documents and project documents related to trade and economy are relatively brief on this aspect. For example, the EC-Vietnam CSP 2007-2013 just makes brief indirect reference to the impact of economic integration on poverty: “Vietnam needs to consolidate its integration into the international economy as it continues its transition to a market economy and accedes to the World Trade Organisation, while ensuring its WTO obligations are met and that the benefits of economic growth are available to all” (p 4) and, “trade-related assistance, with a strong focus on sustainable development and poverty reduction through economic reform, while supporting further opening of the Vietnamese economy and its deeper integration into the global trading system, will enable the EC to maximise the potential of its competence in the trade field” (p. 21). The CSP 2002-2006 was more explicit: “There must ... be complementarity and links among different EC-supported initiatives. Budgetary constraints compel concentration of activities and enhanced linkages between poverty reduction and progress in Vietnam’s integration into the world economy” (p. 22-23).

4.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

4.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

4.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

Summary for each indicator:

- For MUTRAP III: all external evaluations (MTR as well as ROM and CSE) tried to assess the poverty and gender issues, which are not an easy task, as highlighted in I-9.1.1. and 9.1.2., the EC support to TRTA did not address very well these topics. Furthermore, ROM and CSE provided recommendations how to better address these issues in the future.
- Also the final report and the external final evaluation of MUTRAP II assessed aspects like poverty in the activities and overall. The final report provided the following recommendation: “Future TRTA programs and related activities need to provide explicit recognition and action plans for cross-cutting issues related to vulnerable groups, poverty alleviation and the environment.”
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- According to the MTR, it is still too early to evaluate the impact of economic reform process supported by MUTRAP III on the poor.

Intervention MUTRAP III - Multilateral Trade Assistance Project

MTR 2010

p. 24:

Although ¾ of the of those who responded to the Evaluation Questionnaire thought that MUTRAP III activities played a substantial role in accelerating economic reform and in implementing pro-poor economic reform through stronger integration into the global trading system, one has to treat this response with some caution; Some of the officials and other stakeholders visited in Hanoi made it clear to the evaluators that it is uncertain whether it can be said that MUTRAP has had, at this early stage, a direct impact on Vietnam's economic reforms (Doi Moi) or on promoting pro-poor economic growth; On the other hand, there is little doubt that MUTRAP's activities have had significant impact on Vietnam's integration into the global system by virtue of the many activities it has sponsored to that end, including various activities to ensure greater consistency between Vietnamese policies, laws and practices with the rule of the WTO and regional agreements.

Intervention MUTRAP II - Multilateral Trade Assistance Project

Final evaluation MUTRAP II

p. 39

EC policies connection to higher level policies (coherence)

The MUTRAP II EC strategy is aligned fully in line with higher level policies for achieving sustainable economic growth and alleviating poverty reduction through further integration into multi-lateral trading system and the global economy. Human capacity development and the strengthening of institutional capacity are essential to meeting Vietnam's WTO commitments and to ensuring the economic base is capable of meeting the competitive challenges of WTO membership and of taking advantages of opportunities for increase market access to other WTO members' markets. It is also essential to ensuring that the GoV has the capacity to take account of the social and economic impact of WTO membership in formulating its trade policy, particularly in relation to cross cutting issues of gender, environment and poverty alleviation

For more text extraction see I 911 and 922

4.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

Summary for each indicator:

- One of the recommendations of the final evaluation of MUTRAP II was to put greater emphases on addressing cross-cutting issues and advised to make an social impact assessment of WTO accession compulsory for each activity. According to the MTR this has been included in MUTRAP III. However, when reading the evaluation of MUTRAP III, it still seems that poverty aspects of trade have not yet be fully incorporated.

Intervention MUTRAP II - Multilateral Trade Assistance Project

MUTRAP II final evaluation

p. 49

Recommendations:

In future TRTA interventions which provide TA to trade policy formulation greater **emphasis should be placed on addressing the cross cutting issues of gender, the environment and poverty alleviation on an ongoing basis than was evident in MUTRAP II**. The evaluation team believe this should be possible by requiring that each activity addresses the **social and economic impact of WTO accession** in relation to result the activity is targeted at and include a briefing note or presentation for the beneficiaries and key stakeholders. This should increase the awareness among key government policy makers that the economic and social aspects including gender, the environment and poverty alleviation need to be addressed in trade policy formulation in order to ensure that the GoV's economic growth strategy is environmentally sustainable and in support of poverty alleviation.

Intervention MUTRAP III - Multilateral Trade Assistance Project

Rom report no 2, MR-125600,02, 11.11.2011

Trade-related support is not the most obvious sector to mainstream gender; as such, it should not be a

surprise that gender-differentiated analyses have not been conducted during the preparation and implementation of the project's activities.

The project has however engaged in **impact studies related** to the consequences of (e.g.) new FTA's. In addition, the project has undertaken some specific efforts to address gender concerns..

Could we add an indicator, e.g. poverty and gender issues addressed during

4.9.3 JC 9.3 - TRA supported enforcement of ILO standards

4.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

4.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

4.10 Further important findings/text extractions, not attributable to one specific indicator

CSE

Vol I, p. 22

EC interventions have been explicitly aimed at Vietnam's economic reform process and the country's integration in the regional and global economy/trading system and have effectively responded to the Government's and the emerging private sector's capacity needs. There is ample evidence for aid effectiveness and the high impact of projects such as the Multilateral Trade Policy Assistance Programme (MUTRAP), the Vietnam Private Sector Support Programme (VPSSP), and the Tourism project, particularly because for **most of the assessment period the cooperation programme was conducted parallel to trade negotiations** and thus created important synergies for Vietnam's WTO access. **Lessons learned were consistently incorporated, e.g. in the case of MUTRAP**, which is now being formulated in its third phase and has been consistently strengthened throughout. Yet, there were shortcomings, too, for example the ETV2 capacity project, where despite some positive activities, it proved difficult to establish a clear signal along the axis of national needs – donor response, largely for reasons internal to the Ministry of Finance.

The EC was instrumental in the development of Vietnam's WTO accession strategy and Post WTO Action Plan. As a very visible manifestation of support to Vietnam's WTO entry, in October 2004 the EU became the country's first major partner to conclude bilateral accession negotiations, a step which gave significant impetus to the overall accession process.

In addition to **ISP, the Small Project Facility (SPF) made** a significant contribution to strengthening governance aspects of trade and economic integration. SPF was a flexible and effective way of responding to emerging and immediate needs among Vietnamese stakeholders, although the administrative costs to the EC were admittedly high. SPF, to which we devote Special Focus 3, strengthened the capacity of small and medium-sized enterprises (SMEs), local government agencies and emerging civil society organisations and also increased the voice of non-state actors (or semi-independent groups) in the policy-making process. Furthermore, and probably most importantly for a country that is in the process of forming a robust research infrastructure, the involvement of academic institutions in many SPF projects provided a valuable contribution to the training and capacity building of young academic researchers in areas related to trade and economy.

Vol II, p. 94

The EC's multi-dimensional support to trade and economic reform has substantially contributed to Vietnam's integration into the regional and global economies; the first via ASEAN integration and the second via WTO accession. The interventions that were most successful were those that were most **flexible and concentrated on "how, not what."** (i.e. were most closely aligned to existing policy decisions rather than aiming to provide general policy advice). One way of interpreting this is that GoV ownership of EC support in trade and economy was extremely high.

EC interventions have been explicitly aimed at Vietnam's economic reform process and the country's integration in the regional and global economy/trading system and have effectively responded to the Government's and the emerging private sector's capacity building needs. There is ample evidence for aid effectiveness and the high impact of projects such as MUTRAP, VPSSP, and the tourism project, particularly because for most of the assessment period the cooperation programme was conducted parallel to trade negotiations and thus created important synergies for Vietnam's WTO access. Lessons learned were consistently incorporated, e.g. in the case of MUTRAP, which is now being formulated in its third phase and has consistently strengthened throughout. Yet, there were shortcomings, too, for example the ETV2 capacity project, where it proved difficult to establish a clear signal along the axis of national expression of need – donor response, largely for reasons internal to the Ministry of Finance.

Overall, the policy dialogue between the GoV and donors, including the EC, has been focused primarily on the "how" rather than the "what" – influencing the implementation of existing pro-market reform

policies - rather than introducing new ones. While it is difficult to clearly quantify and qualify the specific impact of EC-funded interactions on legislative and policy-making processes, linkages clearly do exist; for example, the Institutional Support Programme (ISP) provided a great deal of support to the National Assembly on matters related to WTO. However, the PRSC has probably been the most significant contribution in this regard. Through the soft conditionality implicit in its policy matrix, the PRSC has been providing important incentives to keep the macroeconomic reform programme on track while supporting reform-minded political actors within the VCP and the Government.

The EC was instrumental in the development of Vietnam's WTO accession strategy and Post WTO Action Plan. As a very visible manifestation of support to Vietnam's WTO entry, in October 2004 the EU became the country's first major partner to conclude bilateral accession negotiations, a step which gave significant impetus to the overall accession process.

The Small Project Facility (SPF) was a flexible and effective way of responding to emerging and immediate needs among Vietnamese stakeholders, although the administrative costs to the EC were admittedly high. SPF, to which we devote Special Focus 3, has not only strengthened the capacity of SMEs, local government agencies and emerging civil society organisations but also increased the voice of non-state actors (or semi-independent groups) in the policy-making process. A number of SPF-financed activities dealt with surprisingly sensitive subjects, including several clearly in the domain of human rights. Furthermore, and probably most importantly for a country that is in the process of forming a robust research infrastructure, the involvement of academic institutions in many SPF projects provided a valuable contribution to the training and capacity building of young academic researchers.

An important part of the EC's support for Vietnam's economic integration into the regional and global environment was via ASEAN-level EC cooperation programmes. These ran on a double-track, support to the ASEAN Secretariat through the APRIS project and support to ASEAN Member States through regional programmes such as the EC-ASEAN Economic Cooperation Programme on Standards, Quality and Conformity Assessment (2003-2005), ECAP I and II, Asia ProEco, AsiaInvest and the Asia Trust Fund. All regional programmes have stated the fostering of ASEAN integration as one of their overall objectives. Vietnam has participated in and benefitted significantly from all programmes.

EAMR

EAMR 2008

The project could start just after the previous MUTRAP II project ended, thereby ensuring that qualified PTF staff could continue working for the project and ensuring that valuable knowledge is not lost. Visibility of new project very high as the MUTRAP brand is well-known in this area in Vietnam and due to the good communication work of the PTF. MUTRAP II received a positive final evaluation as an important and flexible project helping Vietnam to join WTO and implement commitments arising from it.

MTR 2010

p. v

Good progress has been made in achieving the results, particularly in regard to Components 1 (MOIT coordination for implementation of WTO commitments), 2 (coordination with the private sector, training and research institutions) and (to a lesser extent) Component 3 (increased capacity regarding negotiation of regional and bilateral trade arrangements). The services sector (Component 4) has not been given priority by the GoV compared to agricultural and industrial policies. There remains a number of impediments to services, including a scarcity of skilled human resources and a low level of entrepreneurship. In regard to Component 5, progress in developing an effective competition policy and a viable consumer protection law has been slow;

4.10.1 Recommendation rS4 (from Conclusion cS4)

*Unforeseeable endogenous and exogenous developments and factors as the current global financial crisis place particular demands on flexibility and responsiveness. The EC should consider ongoing interventions, such as its MUTRAP project and “Support to strategic dialogue ...” as a “**rapid response force**” providing exceedingly quick support, in the form of analyses, technical assistance, and capacity building, to very specific issues as they arise.*

Furthermore, as we stressed in Recommendation rG1, more explicit, **scenario-based planning** for alternative futures would be advisable. At least with regard to the economic reform process and Vietnam’s integration into the trading system, strategies are based on the assumption that the reform process will continue at – more or less – its current pace without the danger of any significant anti-reformist backlashes and disruptive domestic or external factors. While it seems unlikely that the reform could come to a sudden halt or even be reversed, the risk of serious downturns still exists – given the opaque policy-making processes, the ongoing policy debate in Vietnam between those who see the outlook as relatively benign and those who see the need for deep, accelerated structural reforms; the real threat of markedly declining FDI inflows, and the current global economic crisis.

Given its **comparative advantage in** economic integration, **especially at the regional level**, the EC should position itself as a “**one stop shop**” for **policy advice, especially in implementation**. The existence of the EC’s ASEAN regional-level cooperation programme offers strong opportunities for focusing bilateral assistance, including Trade Related Technical Assistance, on the ASEAN integration agenda and exploiting synergies with the ASEAN cooperation programme.

CSE p. 96

A crucial aspect of any support to far-reaching economic transition towards a liberal market system is the provision of training and capacity building for both government officials and representatives of the emerging private sector. In this regard, it is clear from the available documentation that extensive training programmes for both groups have been provided, for example as part of the Multilateral Trade Policy Assistance Programme (MUTRAP, since 1998), the Small and Medium-sized Enterprise Development Fund – Phase II (2003-2008) and generally in view of Vietnam’s WTO obligations. European businesses have generally benefited from the general drive to market opening and regulatory reforms as well as Vietnam’s rapid integration into the regional and global economy. However, significant obstacles to the emergence of a market economy and the development of the private sector remain, which also affect market access for EU companies. (I 4.1.3.) As bilateral trade and FDI inflows show, EU firms are active across almost all sectors of the Vietnamese economy (see also JC 4.5)

CSE p. 96

The SFSD (Support for Forestry Sector Development in Vietnam) supported diagnostic research to improve the understanding of FLEGT-relevant issues (Forest Law, Enforcement, Governance and Trade) and capacity building and facilitation of discussions and dialogue aimed at reaching consensus on priority activities needed. It also prepared detailed certification guidelines and communities for pilot certification to help secure market access (2). The ‘Strengthening Voices for Better Choices’ project has supported a series of multi-stakeholder round tables in support of Vietnam’s Voluntary Partnership Agreement process under the FLEGT action plan. The plan aims, amongst other things, to develop a licensing system for legal timber through a series of VPAs between the EU and major timber producing countries. Though Vietnam, as timber importer and processor, differs from timber-exporting countries, the intended incomes of VPAs are still highly relevant to national policy objectives. (3)

p.22

Dissemination of information on the WTO accession package to government, business and the society .

Immediately after the approval of Vietnam's WTO accession protocol by the WTO General Council on 7 November 2006, MUTRAP II, jointly with its main stakeholders, started the organization of a series of workshops to disseminate the country's WTO accession conditions to all segments of Government and society. In the period of about 12 months, MUTRAP held 28 workshops under its HOR-7 programme in the subject attended by about 3,000 participants which made MUTRAP the number one player of the Government in communicating the WTO commitments to the interested parties. (For more details see Chapter IV of this report). These events, together with the related TV and other mass media appearances also organized by MUTRAP, put the Project in the limelight and boosted its visibility all over the country. The publication and dissemination of relevant documents, including the wide distribution of the accession conditions, the Project's website and the publication of a major report on the explanation of accession conditions, made the impact of information dissemination campaign durable. All stakeholders benefited from MUTRAP's activity in this area. As a result of MUTRAP's information dissemination programmes, **Central and local government bodies were assisted in their preparation to implement WTO commitments, the business sector learned a lot about the formation of a new business environment** resulting from WTO participation which facilitated their adaptation to the new challenges and opportunities. The academia, researchers and universities thanks to the information obtained could make adjustments in their programmes and working methods.

MUTRAP II, final eval, p. 28

Result 2 "Progress on development of coherent and social and environmental sustainable trade and economic integration strategy as part of economic policy reform process, inter alia through enhanced local institutional and human capacity in trade issues as well as training and legal advices".

Clearly the activities contributing to the achievement of Result 1 also contribute to "enhanced local institutional and human capacity in trade issues as well as training and legal advices" and this also to the achievement of Result 2. **However HOR-9** is the only activity that focused significant resources to addressing social, environment and other cross cutting issues in relation **to trade and trade policy formulation**. Under these activities a series of studies was carried out on the impacts of WTO membership on the competitiveness of key products, business environment, poverty alleviation, environment improvements, social and gender welfare (in addition to studies similar impact studies on the business environment, and competitiveness of key products). The activity was originally scheduled for the 1st to 3rd quarter of 2007. It was delayed and was not completed until April 2008. A final report with separate executive summaries on each topic was produced. Workshops presenting the results were held in Hanoi, HCMC and Danang. The beneficiaries included line Ministries and the VCCI. The participants broadly welcomed the output of this activity and the evaluation team believe it will inform their activities in drafting legislation and in developing a coherent social and environmentally sustainable strategy for integration into the multi-lateral trading system

The evaluation team believe that effectiveness of this activity could have been increased if separate reports on each issue were prepared and separate workshops held particularly for the crossing issues. Furthermore it is arguable that the output of this result could have been more emphatically achieved if the cross cutting were addressed in a horizontal way across many of the other activities including the sector specific activities.

However the evaluation team believe on balance that the benefits envisaged in this result have been delivered.

Result 3 "Increased knowledge and networking on international trade and WTO issues among the government, the private sector, training and research institutions and other public and private stakeholders and facilitating Vietnamese businesses and society at large to fully take advantage of WTO membership"

All the activities in Components 1 and 2 contributed in one way or another to increased knowledge on trade and WTO issues among the participants and as such contributed to result 3. The TBT/SPS activities increased the institutional capacity to network with all interested stakeholders in the public and private sectors on WTO TBT and SPS issues. Similarly HOR-8 also increased the networking capacity of the MOIT. **HOR 4** also contributed, as a large number of the participants were from the universities. Many activities also included policy networking sessions which also contributed to Result 3. In addition to these activities, HOR-3 contributed significantly to the achievement of this result. HOR-3 focused on a revision of the syllabus in Vietnamese universities on international trade law and on WTO issues as well as on training. 2 books were produced: (i) a book explaining the WTO and issues in relation to Vietnam's accession prepared by the MUTRAP local experts and (ii) a reference textbook dealing with international trade law, with contributions from various professors and lecturers in universities. In discussions with the evaluation team, the universities in particular confirmed that they had benefited significantly from this activity (although they had differed with the EU expert at the outset over the methodology for teaching WTO issues in Vietnam's universities). The benefits include increased competence in preparing a syllabus on international law and WTO issues. At least 2 of the universities had introduced or were planning to introduce course modules based on the input from this activity that would also use the reference text books prepared with MUTRAP II's assistance. HOR- 3.

On balance the evaluation concluded Result 3 was achieved.

Result 4; "Increased government capacity to further integrate effectively into the regional trade related arrangements such as AFTA, ASEM, ASEAN plus dialogue partners"

While the activities contributing to Result 1 & 2 also contribute to Result 4, the main contributing activities are **HOR 10 & HOR 11**. **HOR** provided TA to the Ministry of Trade to assume the coordinating role in Trans-Regional EU - ASEAN Trade Initiatives (TREATI). It was carried out in 2 phases in 2007 and 2008. MUTRAP II carried out the 2nd phase in co-operation with CIDA. 2 workshops were held and a report prepared. The 2nd phase was carried out in co-operation with CIDA. HOR-11 undertook an analysis of the commitments undertaken by Vietnam under ASEAN, APEC, ASEM and accessed best practices in regional trade liberalisation and facilitation. The MOIT were confident that this activity strengthened their competence to manage further integration into regional trade areas and negotiate issues in regional trade agreements.

The evaluation team are confident that Result 4 has been broadly achieved.

Result 5. "Improved conditions of doing business in Vietnam for European operators including enhanced bilateral market access of Vietnamese and European business operators"

The SPS/TBT activities establishing the SPS/TBT Enquiry point enhance bilateral access by **facilitating queries on Vietnam's legislation government imports of agricultural produce and manufactured goods**. Similarly activity **SERV-4 has increased the capacity to establish a GATS Enquiry point** which will facilitate similar queries on services. Activities SERV-1, HOR-1 and HOR-2 have increased the capacity of government officials to draft legislation to meet Vietnam's WTO commitments which will improve the business environment. SERV-5 has contributed to building capacity in the CSO to collect data on trade in services which will make it easier for WTO members to access the Vietnamese market.

The evaluation team concluded that Result 5 has been broadly achieved.

Overall the evaluation team conclude that all of the activities have been completed as planned and on balance most of the planned benefits have been delivered to the beneficiaries. In some instances the derived benefits may have been less than what was perceived at the outset. When this has occurred it has generally been the result of a misunderstanding by the beneficiary of the actual benefits as the outset. This is not unusual in demand driven projects as the beneficiary's capacity to accurately determine the benefits may only be realised once activity is completed. The delivery of some benefits occurred later than forecasted, as the implementation of some activities was delayed for various reasons including the delayed accession of Vietnam to the WTO.

MUTRAP III, MTR

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2.2.2.2 Component 2: MOIT coordination with private sector, training and research institutions

While the main focus of this component is to increase the **coordination capacity of the MOIT** (Ministry of Industry and Trade), all the activities undertaken have included other stakeholders – including other ministries, universities, professional and business associations. This component has focused on:

CB-1: the preparation of handbooks explaining Vietnam's WTO and FTA commitments and 13 workshops/training courses to disseminate information and raising awareness on WTO/FTA issues for local government bodies, journalists, association of lawyers and the private sector (CB-1),

CB-2: focus on Vietnam overseas market information portal and support for the registration in the EU of Vietnamese GI products. **Workshops to launch the Export Portal and database** and **assistance to *Kien Giang PC and Phu Quoc Fish Sauce Producing Association*** to complete procedures for registration of the Protected Designation of Origin in the EU (CB-2);

CB-3: a study tour to selected countries adopting **Certificates of Free Sale**, a report identifying all the necessary administrative documents and procedures required for the issuance of CFS for exports, culminating in the Prime Minister's Decision on CFS for imported and exported products promulgated on 10 February, 2010 (CB-3);

CB-7: the issuance of seven 'grant contracts' to various universities and business associations to improve teaching and trade policy/law in Vietnamese universities, and to increase the capacities of Vietnamese business associations to provide efficient assistance to their members on trade issues and become an efficient 'consultation partner' to the Government (CB-7).

All the activities under this component also complement each other and are coherent. They have given rise to a better awareness on the part of MOIT, other government agencies, universities and the private sector to issues relating to the negotiation and implementation of WTO rules and international trade agreements generally, coupled with the promulgation of the necessary laws and regulations to facilitate consistency with WTO obligations on particular subjects.

Effectiveness:

The activities under component 2 were also effective and efficient, though this is more readily measurable for some activities than for others. For example, the **Vietnam Oversea Market Information Portal, supported by MUTRAP, has attracted many visitors**. In the first four months of 2010, there were 88,178 visitors to the website with 327,880 pages viewed. On 21 April 2010, the Portal won the **Sao Khue Award 2010 for the quality of the Portal**.

As for the drafting of the Prime Minister's decision on the promulgation of regulations on the issuance of CFS (CB-3), the assessment of the consortium of YKVN, PBC Partners and the Ho Chi Minh City Institute of Development Research considered that two of the four PTF **experts they had provided to execute this activity had not been up to the task though it appears that the problem has not had a major impact on the promulgation of the CFS on 10 February 2010**. Another problem is that, according to the MOIT, the **manufacturers of the fish sauce in the provinces still do not have a good understanding of the relevance**, or importance, of following international rules in order to register their products in other countries.

The organisation of various workshops and study tours and, above all, the **publication of three handbooks, the establishment of a widely-used export portal, assistance in the registration in the EU of Vietnamese GI products, and the production** (under the seven 'grant contracts' awarded to various universities, chambers of commerce and business associations, with a substantial budget of around €1.6 million) of manuals, articles and booklets for **dissemination of information regarding trade policy and trade law** (in Vietnamese) are **widely considered to have had a beneficial impact and to have gone a long way in meeting the overall and specific objectives of the project**. While it is too early to measure their impact on pro-poor economic growth in Vietnam, there is little doubt that they are materially assisting Vietnam in implementing the Post-WTO Action Plan and facilitating stronger integration into the global trading system.

CSE

Vol 1, p. 23

An important part of the EC's support for Vietnam's economic integration **into the regional and global environment was via ASEAN-level EC cooperation programmes**. These ran on a **double-track, support to the ASEAN Secretariat through the APRIS project** and support to **ASEAN Member States through regional programmes** such as the EC-ASEAN Economic Cooperation Programme on Standards, Quality and Conformity Assessment (2003-2005), ECAP I and II (devoted to intellectual property rights), as well as Asia-level programmes such as Asia ProEco, AsiaInvest and the Asia Trust Fund. All regional programmes have stated the fostering of ASEAN integration as one of

their overall objectives. Vietnam has participated in and benefitted significantly from all programmes.

5 Annex

5.1 Key documentation used for the analysis

5.1.1 Project documentation of main interventions

<i>Intervention</i>	<i>TAP</i>	<i>Eval</i>	<i>ROM</i>	<i>Progress (MTR)</i>	<i>Final reports</i>
MUTRAP II	no	yes	no	Yes: several progress reports	yes
MUTRAP III	yes	no	Yes: 2 ROM	yes	no

5.1.2 EC documentation on trade-related assistance in the country

<i>Source</i>
Country Strategy Evaluation
External Assistance Monitoring Reports

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Country Fiche

ZAMBIA

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1. Introduction

EC's Trade-related assistance in Zambia was concentrated on the meso- and macro-level, although also addressing the micro-level via the supported intermediary organisations. The Export Development Project assisted the private sector and their organizations to strengthen export-oriented sectors via TA and a 2 M € Export Financing Facility. The Capacity building for Private Sector Development was more focussed on strengthening of export-related services of national trade-related institutions.

In both projects, lacking capacities on the beneficiary's side were mentioned as problematic. Also the national policies related to trade were often mentioned as hampering export growth. While it was criticised in the Evaluation of EDP that the impact would not be sustainable due to the missing concentration on improving the enabling legal and political environment for trade, the Capacity Building for Private Sector Development Programme addressed these issues more directly.

1.1 Country Overview

	2004	2005	2006	2007	2008	2009	2010
Exports Volume Index	133.8	126.5	162.8	186.8	202.2	212.8	262.4
Imports Volume Index	208.7	230.2	260.5	315.2	348.6	296.8	368.4
GDP per Capita in current US \$	486	626	911	957	1,183	1,006	1,253
Exports in % of GDP	38	35	38	42	36	36	44
Imports in % of GDP	42	42	47	35	34	32	35
FDI net inflows in current US \$	364,000,000	356,940,000	615,790,000	1,323,900,000	938,620,000	694,800,000	1,041,400,000

Export volume indexes are derived from UNCTAD's volume index series and are the ratio of the export value indexes to the corresponding unit value indexes. Unit value indexes are based on data reported by countries that demonstrate consistency under UNCTAD quality controls, supplemented by UNCTAD's estimates using the previous year's trade values at the Standard International Trade Classification three-digit level as weights. To improve data coverage, especially for the latest periods, UNCTAD constructs a set of average prices indexes at the three-digit product classification of the Standard International Trade Classification revision 3 using UNCTAD's Commodity Price Statistics, international and national sources, and UNCTAD secretariat estimates and calculates unit value indexes at the country level using the current year's trade values as weights. (2000 = 100)

	Rankings of the Global Competitiveness Report of the World Economic Forum (WEF)						
Zambia	2004	2005	2006	2007	2008	2009	2010
Rank	83	/	115	122	112	112	115
total number of countries	104	117	125	131	134	133	139

WTO membership: Yes, since 1.1.1995

Status Economic Partnership Agreement (EPA):

An interim EPA has been agreed on, with Zambia still pending

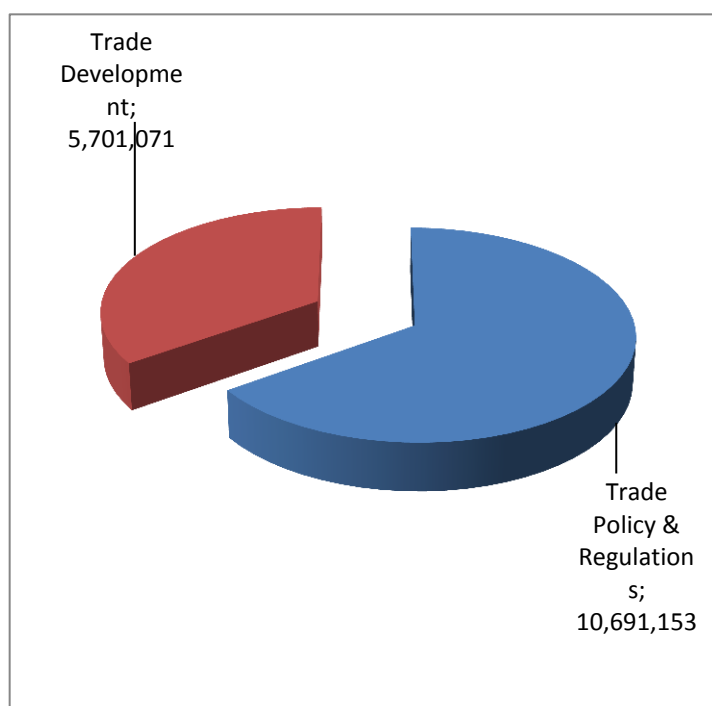
1.2 Commission’s TRA to Zambia between 2004 and 2010

1.2.1 Contribution per sector, modality and channel

1.2.1.1 Breakdown per Category

Row Labels	Trade Policy & Regulations	Trade Development	Grand Total
2004		277.758	277.758
2005		922.117	922.117
2006	3.306.558	878.861	4.185.419
2007	71.640	521.918	593.558
2008	7.295.504	2.796.167	10.091.671
2009		220.060	220.060
2010	17.450	84.190	101.640
Grand Total	10.691.153	5.701.071	16.392.223

Total volume of contracted amount 2004-2010 per category



1.2.1.2 Breakdown per Modality

Row Labels	Project	Support to Sector Programmes	Grand Total
2004	277.758		277.758
2005	922.117		922.117
2006	4.185.419		4.185.419
2007	593.558		593.558
2008	10.005.604	86.067	10.091.671
2009		220.060	220.060
2010	17.450	84.190	101.640
Grand Total	16.001.906	390.317	16.392.223

1.2.1.3 Disbursement Rate

Year	Amount contracted in €	Amount paid in €
2004	277.758	277.758
2005	922.117	922.117
2006	4.185.419	3.461.814
2007	593.558	593.558
2008	10.091.671	7.682.211
2009	220.060	220.060
2010	101.640	61.474
Grand Total	16.392.223	13.218.991

Disbursement per Category

Row Labels	Amount contracted in €	Amount paid in €
Trade Policy & Regulations	10.691.153	7.768.315
Trade Development	5.701.071	5.450.677
Grand Total	16.392.223	13.218.991

Disbursement per Modality

Row Labels	Amount contracted in €	Amount paid in €
Project	16.001.906	12860340,52
Support to Sector Programmes	390.317	358650,95
Grand Total	16.392.223	13.218.991

Disbursement per channel

Row Labels	Amount contracted in €	Amount paid in €
Private Company	9.564.017	8.179.080
Government	5.605.951	4.031.360
NGO/Association/Chamber/Foundation	1.068.517	854.813
Grand Total	16.238.485	13.065.253

1.2.2 Important TRA interventions in Zambia

Table Overview of Commission's most relevant TRA interventions in Zambia

<i>Title of the intervention</i>	<i>Decision number</i>	<i>Committed amount for the intervention</i>
EXPORT DEVELOPMENT PROGRAMME II (EDP I: 7ZA013/10000000.00)	FED/1999/014-668	2.658.900
Capacity Building for Private Sector Development	FED/2004/016-972	13.343.007

Source: CRIS database, Particip GmbH analysis

1.3 Description of main EC intervention

1.3.1 Intervention no 1

Title: Export Development Programme II

Budget: 6.500.000€ (project approach)

Start and end date: 1.6.2001 – 31.5.2005, extended until 31.12.2007, due to delay the programme was implemented between February 2003 until December 2007.

Objectives and expected results:

Overall objective:

The overall objective is to contribute to GDP growth, poverty alleviation and employment in Zambia.

Specific objective:

The purpose of EDPII is to increase output, exports and productivity in selected export-led sub-sectors.

Expected results:

- accessibility to credit by additional NTEs sub-sectors enhanced;
- management, organisational and technical capacities of the targeted PAs, their members and groups of companies strengthened;
- competitiveness of producers strengthened;
- greater awareness of Zambian NTEs in the major exports markets.

The EDP-II, as a whole and over its lifetime, is expected to;

Generate an incremental net benefit flow worth, in discounted NPV terms, \$US 4.8 million and 2.8 million for the paprika and leather sectors respectively. The NPV of the total incremental net benefit flow attributable to the programme is over US\$ 4 million after deducting all project costs. Generate an incremental \$14.4 million in net foreign exchange inflows. In the paprika sector, this increment is over \$US 8 million (from almost \$US 10 million of additional exports) and in the leather sector it is just over \$US 6 million (from \$US 6.75 million of additional exports plus the forex savings resulting from the expansion of domestic sales). Create additional employment equivalent to a total of 750 new full-time jobs, of which 600 and 150 jobs in the paprika and leather sectors respectively. Possibly generate about US\$ 1.5 million in additional government revenues.

The above results exclude the as yet unquantifiable benefits to be derived from the inclusion of other sectors (such as clothing) in the programme.

Component 1 -

A 2 M€ Export Financing Facility (EFF) will provide credit to exporters through their respective Producer Associations. The project will also facilitate the identification and provision, on a demand-driven basis, of short-term technical assistance to the Producer Associations and their members and groups of enterprises (2.45 M€). The Second Export Development Programme will also support the promotion of Zambian NTEs.

Component 2 -

Component 3 -

Activities:

Component 1:

Export Financing Facility (EFF)

Financial support will be provided through the EFF, a short-term credit line. The EFF is a revolving fund type of arrangement, whereby the participating PAs have access to short-term finance, on behalf of their members, for production and/or seasonal inputs, minor capital items and pre- and post-shipment finance. The financial support under the EDPII will be allocated exclusively to the new targeted PAs.

Component 2:

Technical Assistance

The EDPII shall provide long-term technical assistance for the co-ordination, management and monitoring functions. Short-term technical assistance will be delivered on request by each PA (demand-driven basis), through an Annual Work Programme (AWP). It will benefit new targeted PAs and groups of companies. The short-term technical assistance will focus on the improvement of production and marketing cycles; research and market development; extension and training to the producers; and other specialised organisational requirements of the PAs.

Activities aimed at strengthening the Export Board of Zambia may be included in the AWP. They would involve technical assistance aimed at identifying an appropriate role for the EBZ and the structure and financing mechanisms needed to fulfil such a role effectively.

Component 3:

International Promotion of Zambian NTEs

Promotion of Zambian NTEs through selected activities will also be financed. PAs willing to participate will cover a part of their participation costs. Supported activities will include participation in international trade fairs and conventions, preparation and dissemination of promotional literature and the development of internet-based information and marketing systems.

Contracted Services for special support measures.

1.3.2 Intervention no 2

Title: Capacity Building for Private Sector Development

Budget: 15.000.000€ (project approach)

Start and end date: August 2005 – 31.12.2011, prolonged until 31.12.2012; The Financing Agreement for the project was signed in August 2005. However the start-up Programme Estimate was not signed until June 2006.

Objectives and expected results:

Overall objective:

The overall objective of the intervention is to contribute to poverty reduction through sustained economic growth. The achievement of this is the ultimate goal of the Government of Zambia and underpins the PRSP and TNDP. Effective future growth will require provision of an enabling environment, based on development of a clear policy and regulatory environment and improved dialogue between Government and private sector.

Specific objective:

The purpose of the project is that targeted segments of the private sector make use of improved services and investment climate. This in turn will lead to the direct benefit (overall objective): production and employment in the targeted segments of the private sector is increasing, and non-state actors will be provided with a platform to actively assess the benefits of an improved private sector environment.

Expected results:

Component 1 -

Performance and service delivery of the Ministry of Commerce, Trade, and Industry is improved. Improved policy, legal and regulatory framework is in place.

- Performance and service delivery of the Department of Trade is improved, in particular with respect to trade negotiations.
- Performance and service delivery of the Department of Industry is improved, in particular with respect to promoting the growth of the SME sector.
- Dialogue with, and information services provided to the private sector are improved

Component 2

Performance and service delivery of the Statutory Bodies is improved.

- Services to new and existing exporters by the Export Board of Zambia are improved.
- Efficient & effective services are provided to local and foreign investors by the Zambia Investment Centre.
- Improved standards testing and certification services are provided by the Zambia Bureau of Standards (with sub-programmes in Zambia Weights & Measures Authority).
- Services with respect to the provision of a regulatory environment by the Zambia Competition Commission are improved.
- provision of all these services by Zambia Development Agency is improved (from 2006)

Component 3 -

Performance and service delivery of the private sector intermediary organisations is improved.

Component 4 -

Contributions of civil society organisations, including trade unions, towards private sector development are improved.

Activities:

Component 1:

Performance and service delivery of the Ministry of Commerce, Trade, and Industry is improved.

- Policy / legal / regulatory framework

The project will support a process to review and redesign policy, legislation and regulatory frameworks for the private sector.

- Improved services of the Department of Trade

The Department monitors and regulates domestic trade. The Safeguards unit is mandated to implement the "Control of Goods Act", and elements of the "Customs and Excise Act". Studies are carried out on the design and implementation of regulations and compliance to international trade requirements. Capacity building to support these activities will be provided, including the launching of the "Buy Zambia Campaign". Support will also be given to improve trade negotiations and to involve private sector stakeholders in the negotiation process.

- Improved services of the Department of Industries: Small and Medium Scale Enterprises

The responsibility for coordinating services to SMEs falls under this Department. The project will provide capacity building and institutional support to promote improved coordination, including the dissemination of best practices. New legislation will be prepared to replace the Small Enterprises Development Board with a new institution with the project providing organisational development support to such an institution.

- Other improved services: Dialogue with the private sector

The project will support a dialogue between the public and private sector, coordinated through MCTI and addressing issues of regulations. Funds will be available for research that facilitates discussion or assists in responding to the outcomes of dialogue. A dialogue unit will be established.

- Improved access to information

The project will support research activities in manufacturing/ industry post-privatisation, investment opportunities, market opportunities, trade monitoring; and private sector monitoring. Training in research design, data analysis, and presentation of data i.e. report writing, database creation etc. will be given. The documentation centres in EBZ and MCTI will be rehabilitated.

Component 2:

Performance and service delivery of the Statutory Bodies is improved

The statutory bodies mentioned below are active partnerships between Government and the private sector. Existing performance of these bodies is limited and one of the key activities of the programme is to enhance their efficiency and effectiveness.

- Export Promotion: Export Board of Zambia

EBZ has a strategic plan to increase exports in specific products. This plan incorporates the participation of private sector stakeholders in developing action plans, and in taking part in market research, trade missions and trade fairs etc. The plan considers the role and training needs of Zambian missions overseas. Support will be provided for the implementation of the strategic plan.

- Improved services: Zambia Investment Centre

ZIC has the mandate of supporting local and foreign investors in the country. The services offered have, however, been poor. The project will provide comprehensive support for the revitalisation of ZIC with capacity building support directed at increasing investment in Zambia.

- Improved services: Zambia Bureau of Standards, Zambia Weights & Measures Authority, Assizes Dept, Accreditation Unit

The absence of adequate standards, testing and certification services is a significant problem for the expansion of the private sector. Exports are affected by high costs and other barriers created by the lack of certification. The project will support a comprehensive review and development of a strategic action plan. Services will be redeveloped according to the action plan and equipment and laboratory facilities procured. A training programme will be implemented.

- Improved services: Zambia Competition Commission

ZCC is a partnership between the public and private sector, which aims to promote fair competition through the implementation of a transparent regulatory framework. The project will assist ZCC in developing and implementing a new Strategic Action Plan.

Component 3:

Performance and service delivery of the private sector intermediary organisations is improved.

A grant facility will be created to strengthen the capacity of private sector intermediary organisations. The facility will provide funds for organisations to support their members and engage in effective dialogue with the public sector. Activities will be linked to project results and will include: technical assistance, research/analysis, training, dissemination of information, awareness raising, dialogue with Government, public-private partnership activities to improve collaborative services for the private sector, and other activities to improve Zambia's competitive performance.

Component 4:

Contributions of civil society organisations, including trade unions, towards private sector development are improved.

This grant facility will provide funds for civil society organisations to participate in the development of an enabling environment for private sector led economic development, and in activities to support improved public financial management and accountability. This will be achieved through:

- Awareness creation campaigns for the relevance and benefit of private sector led economic growth amongst the public and targeted stakeholders will be supported.
- Civil society perspective on the impact of the support measures in the public and private sector with respect to employment and poverty reduction.
- Support to trade unions to effectively contribute to private sector development in a socially acceptable and equitable way, in dialogue with government and private sector.

Contracted Services for special support measures.

2 Evaluation Questions

2.1 EQ 1 - To what extent has the Commission's TRA been aligned to the partners' evolving priorities and strengthened their trade-related planning and implementation systems?

2.1.1 JC 1.1 - Extent to which priorities in relation to TRA reflect partners' development strategies

2.1.1.1 I 1.1.2 - TRA support aligned with partners corresponding policies and priorities

Summary:

- "EDPII coincides with the stated GRZ's policies of diversifying the export base"
- EC TRA in Zambia was more demand-driven than based on a needs analysis according to MTR
- "The country policies and policy documents do not integrate the trade dimension."
- "The project came at the right time for all statutory bodies when capacity building activities were mostly needed." (Capacity Building for Private Sector Development)

Export Development Programme - FED/1999/014-668

FA

FA Annex B

The EDPII (Export Development Programme II) coincides with the stated GRZ's policies of diversifying the export base by providing incentives and creating a macro-economic environment favourable to non-traditional exporters. Although there is no direct budgetary support to the EDPII, the GRZ (Government of Republic of Zambia) has achieved to a great extent the reform of sector policies, which should lead to the creation of an enabling environment for the continuing growth of NTEs (non-traditional Exports).

MTR

p. iii

EDP II does not hinge on a specific trade policy. It however broadly fits into the Government of Zambia's macroeconomic programme which is based on the Poverty Reduction Strategy Paper (PRSP) and the Transitional National Development Plan (TNDP) whose goal is "to increase and sustain economic growth, job creation and reduce poverty". Specifically, it *"coincides with the stated Government policies of diversifying the export base by providing incentives and creating a macro-economic environment favourable to non-traditional export"*. The major constraints for NTE export development identified at the time the project was conceived are still valid today, namely (a) inadequate enabling environment and (b) insufficient competitiveness of producers.

p. 5

The offer of EC TRA in Zambia has been based more on the demands expressed by the authorities in the country than on a diagnosis of the real needs. The trade interventions offered do not result from a systematic diagnosis analysis of the trade situation of the country, conducted for instance at the time of the preparation of the CSP, but tends to be responsive to requests corresponding to the needs as perceived by the beneficiary. Therefore they privileged projects aiming at the diversification of exports and the improvement of enterprise competitiveness. Little efforts have been devoted to other essential needs such as the removal of the systemic constraints imposed by deficiencies in the macro-economic environment, or to develop a strong trade policy.

p. 8

In short, the programme fits into the needs in terms (i) financial assistance through EFF, (ii) improvement of competitiveness by better management and technical skill, wider production base etc

through the STTA (short-term technical assistance).

p. 10

Although trade in general and export in particular are of major importance for the development of Zambia the country faces important challenges to expand it. The country policies and policy documents do not integrate the trade dimension. The EC programming does not propose actions to improve the integration of trade into the domestic development policy and Donors including EC response rather takes the form of ad hoc trade related projects, mostly to support private sector development and exports, without aiming at a comprehensive reform of the trade and business environment.

The PRSP and other national development plans include very few references to the integration of trade policy in the domestic development policies. When they exist, references are diluted in the overall macro-economic considerations and/or in the form of export strategies rather than being in the form of a comprehensive trade policy framework. This state of affairs reflects a lack of commitment for international trade in the government strategy and policies.

Capacity Building for Private Sector Development - FED/2004/016-972

Background Conclusion Sheet ROM 2009

Design

Both the PP and OO are consistent with and supportive of the Government of the Republic of Zambia's (GRZ) policies. Thus, one of the targets of the Poverty Reduction Strategy Paper (PRSP) is the improvement of productivity and the development of human resources through capacity building, whereas the private sector becomes a priority sector. In addition, the Fifth National Development Plan (FNDP), 2006-2010, states that "one of the key targets of the FNDP is to create the enabling environment supportive of private sector growth".

Effectiveness

The project came at the right time for all statutory bodies when capacity building activities were mostly needed. Thus, ZDA (Zambia Development Agency) was just beginning to form (2007) as an amalgamation of five different institutions, ZBS (Zambia Bureau of Standards) and ZWMA (Zambia Weights and Measures Authority) had just been commercialised and capacity was required in order to survive and deliver the services designed for, very high staff turnover took place in the Competition Commission (only two staff members recruited before 2006 remained and the whole Board of Commissioners changed). Therefore, the capacity building needs were enormous. ZCC (Zambia Competition Commission), ZBS and ZWMA exploited this opportunity, used the project outputs and their capacity has improved significantly. Thus, the quality of decision making and investigation seems to have improved at ZCC, ZBS acquired for the first time the infrastructural capacity to promote quality and standards, the capacity built at ZWMA made possible an increase in inspections and verifications of about 65%. However, ZDA, although in great need for restructuring following amalgamation, has not yet taken this opportunity and is more interested in covering recurrent costs. Resistance to change seems to exist and a re-engineering should be imposed from outside, as self-interests may prohibit such a demand. Capacity building for the business intermediaries and non-state actors has been limited in terms of quantity (as very few projects are being implemented by them) but good in terms of quality for the existing interventions.

2.1.1.2 I 1.1.3 - Existence of joint analytical/diagnostic work between beneficiaries, Commission and other development partners

2.1.1.3 I 1.1.4 - Share of TRA designs that are explicitly based on national/regional trade strategies

2.1.2 JC 1.2 - Extent to which Commission TRA support has maintained relevance over time

2.1.2.1 I 1.2.1 - Evidence of TRA support strategies reflecting upon, and demonstrating responsiveness to, changing circumstances

2.1.2.2 I 2.2.2 - Evidence of programmes and projects being adjusted to reflect contextual changes

Summary:

- For EDP, recommendations of ROM missions were partly implemented
- “The project has shown flexibility in taking corrective measures when needed. This involved the switch of funds between budget lines, especially due to the N+3 rule becoming binding, the change in the project philosophy to become a demand driven project.” (CapBuild)

Export Development Programme - FED/1999/014-668

Final Evaluation

p. 3

The intervention methods as designed were appropriate, but the implementation means adopted reduced their relevance. The monitoring systems used by the Delegation and the NAO were partly effective; they did settle difficulties over contractual interpretation and quality issues and they did partly implement the recommendations of the two results-oriented monitoring exercises and the midterm review. However, they did not effectively police the contractor's non-observance of the terms of reference regarding the disposition of funds. Neither did they maintain any coherent record of their appraisal of the work plans of the contractor.

p.3

The reviews undertaken by the NAO and the Delegation in respect of work plans, cost estimates and quarterly reports of the Programme Manager do not appear to have been documented; no information as to the systematic identification and management of issues arising from them was available to the evaluation. As a result, the findings of the evaluation are based on examination of events subsequent to the monitoring and review missions and also, anecdotal information about specific issues. The recommendations of the first monitoring report were partly implemented. The parties involved (the Delegation, the NAO and the contractor) did settle outstanding interpretation issues, but no adjustments to the FA, TORs or contract were obtained. Although the NAO expressed considerable concern over both the structure and operation of the STTA component, it failed to note the ways in which the technical proposal, work programmes presented by the contractor were beyond the scope of the programme TORs and the FA.

The major recommendations of the MTR were implemented:

- Support to the NWGT was continued
- The legitimacy of the contract was finally accepted
- Revised contracting instruments for STTA were deployed, in that a single contract structure was organized to cover a series of contracts at a time
- STTA focused more on demand-driven activities and PAs proposals were presented and approved
- The quality of fund management reports was improved, by recruiting a Zambian accountancy firm as fund manager

But others were not: the capacity of the PMU was not strengthened, at least not with long-term personnel attached, despite its having been proposed to the SC.

The recommendations of the second ROM exercise were

- The extension to the TA contract was put in place, following lengthy delay
- The exit strategy was developed
- Capacity-building in EBZ was enhanced
- Agreement to the extension of the TA contract was reached and a work plan prepared, although an interim extension to PE3 had to be put in place while awaiting the approval of PE4.
- But the quality of quarterly reports did not materially improve and late payments by borrowers from the EFF were not promptly addressed by forceful action.
- The NAO challenged the fee rates charged for the contractor STTA during the SWP and thereafter, they were reduced significantly.

The systems failed to adequately anticipate the need to extend the Financing Agreement beyond its expiry date of 31st May 2005. As a result, contracts presented to the Delegation in respect of activities approved for the second AWP could not be processed, as they incorporated activities extending beyond that date. Similar delays occurred at the time of processing the decision to extend the implementation period by one year, to the end of 2007.

Both the NAO and the Delegation participated in the meetings of the SC as full Committee members and neither used that forum to insist on compliance by the contractor with the TORs. Neither did either party seek to amend the framework under which the contract was implemented, even though the need for at least an exchange of letters, if not a formal rider to the Financing Agreement was necessary to legalize the implementation decisions proposed by the contractor and accepted by the SC, the NAO and the Delegation.

The NAO did address a perceived problem in the level of quality assurance of STTA inputs by the PMU, by establishing that quality assurance role for EBZ / ZDA.

The difficulties encountered regarding the legality of the STTA component and its management were (eventually) resolved, following the decision of the Commission in Brussels.

Capacity Building for Private Sector Development - FED/2004/016-972

Monitoring Report ROM 2009

p. 1

The intervention logic is clear but not well balanced to achieve the PP, as it focuses mostly on the supply side of improved business services and very little on their demand by the private sector and consumers, not yet aware of the benefits linked to them. The project has been adjusted to become more relevant: it became demand driven (as suggested by the Mid Term Review (MTR) – to accommodate absorption capacity problems (overestimated at planning phase), reallocated funds between budget lines as the N+3 rule became binding, and reduced its regulatory work, which was taken up by similar projects. The Logical Framework Matrix (LFM) was revised to accommodate these changes but still includes unrealistically specific OVIs.

Background Conclusion Sheet 2009

Efficiency

The project has shown flexibility in taking corrective measures when needed. This involved the switch of funds between budget lines, especially due to the N+3 rule becoming binding, the change in the project philosophy to become a demand driven project.

2.1.3 JC 1.3 - Increased Commission TRA compliance with relevant Paris Declaration indicators on alignment, strengthening partners' systems and effectiveness

2.1.3.1 I 1.3.2 - Increase of EC TRA capacity-development support provided through coordinated programmes consistent with partners' national development strategies and reduction of parallel Commission TRA project implementation units (PIUs)

Summary:

- An autonomous PMU was set up for EDP

Export Development Programme - FED/1999/014-668

Final Evaluation

p. 29

The organizational set-up was for an autonomous PMU reporting to a Steering Committee, which included in its membership representatives of the NAO and the Delegation.

2.1.3.2 I 1.3.3 - Increase of EC TRA that use public financial management systems in partner countries, strengthening these

2.1.3.3 I 1.3.4 – Use of effective TRA monitoring systems contributing to the Paris Declaration Principle “Managing for Results”

Summary:

- According to ROM 2007, no M&E in place for CapBuild
- EDP II: A M&E system was requested in FA, including questionnaires; but at the time of MTR and ROM 2006 no such system was in place.
- According to Final Evaluation, responses of PAs to questionnaires issued by the PMU were reported.

Export Development Programme - FED/1999/014-668

FA

FA Annex E

Under EDP a monitoring and evaluation (M&E) system was designed and implemented. This shall form the basis for monitoring and implementing performance of EDPII. Additionally, a number of questionnaires have been constructed specifically for completion by the beneficiaries of EDP II- the new PAS and their members. They will supplement, or, where appropriate substitute, forms that have been used under the EDP.

MTR

p. v

The programme has not put in place an internal monitoring mechanism that would enable it to adequately gauge the impact of its interventions. Questionnaires and other monitoring tools that were supposed to be in use under EDP (I) are not currently used although this was requested by the FA. Beneficiaries are so far not required to formally fill in questionnaires to provide feedback on the impact of the programme's interventions. There appears to be inadequate feedback from target PAs to allow the programme to respond to issues that may be affecting them in relation to their operations.

Monitoring Report 2006

p. 2

A weakness is the absence of suitable monitoring information. In general, the Quarterly Reports are produced regularly, they monitor developments in the project and activities are adapted as required (eg. commissioning of research on exchange rate volatility). However, it is not always very clear how much progress is being made in relation to objectives in the logical framework and the work plan. Information needs to be collected in order to assess target achievement, notably in terms of reduction in costs of production, increase in number of markets contacted.

Final Evaluation

p. 3

Programme management reported that export sales of € 25 million had been generated by the activities of the programme and over 3,000 additional jobs had been created. This information was generated from the responses of PAs to questionnaires issued by the PMU.

Capacity Building for Private Sector Development - FED/2004/016-972

Monitoring Report ROM 2007

p. 2

The project has enormous prospects for impact in all areas. However, it is too early to assess impact to date. Moreover, It may be difficult to give an objectively verifiable assessment of impact in the absence of a monitoring evaluation system being carried out by the PMU.

2.1.3.4 I 1.3.5 - Increase of EC TRA disbursements released according to agreed schedules in annual or multi- year frameworks

2.2 EQ 2 - To what extent have the Commission's TRA modalities and channels used been appropriate to delivering TRA?

2.2.1 JC 2.1 - Aid delivery modalities appropriate to national/regional context

2.2.1.1 I 2.1.1 - Selection of aid modalities explicitly analysed during design of TRA support

2.2.1.2 I 2.1.3 - Choice of aid delivery modalities commensurate with the capacities of implementing partners

Summary: <ul style="list-style-type: none">• “Commitment and ownership is not adequate. The problem lies with the limited absorptive capacity that exists in the direct project beneficiaries”
Capacity Building for Private Sector Development - FED/2004/016-972
Background conclusion Sheet ROM 2009
Sustainability It seems that the Zambian side was not fully prepared for such a project. Interest for the project was low at the Minister and the Permanent Secretary (PS) level and project management was weak. An improvement exists during the last few months when new persons arrived at MCTI (Ministry of Commerce, Trade and Industries). Thus, both the Minister and the PS now show a greater interest and a dedicated project manager was appointed. At MCTI Director level the situation is mixed and problems exist in some cases because one of the Ministry Directors is the project manager. Low ownership at the Ministry may also have to do with the low absorptive capacity that exists and possibly with the relatively low level of allowances provided by the project. Ownership at the level of the statutory bodies is higher and some saw the project as an opportunity to lift their organisations. Unfortunately, the private sector did not show the ownership level expected as the project purports to provide improved services for them. Perhaps, a closer interaction between the project and the private sector and a greater involvement of the latter will help.
Horizontal issues Commitment and ownership is not adequate. The problem lies with the limited absorptive capacity that exists in the direct project beneficiaries, the limited funds available to cover the operating costs that are needed, from own/government resources, to promote the project results, and misunderstanding in some cases regarding the project purpose.

2.2.2 JC 2.2 - Use of Commission GBS and SBS has contributed to delivering on TRA objectives

2.2.2.1 I 2.2.1 - TRA related indicators in GBS/SBS have been achievable, regularly monitored and helped addressing core issues related to the TRA in partner countries

2.2.2.2 I 2.2.2 Evidence of GBS/SBS reducing TRA transaction costs, improving capacities and promoting ownership of government institutions

2.2.2.3 I 2.2.3 - Evidence of GBS/SBS improving policy dialogue on TRA (direct output in the Commission GBS evaluation methodology)

2.2.3 JC 2.3 - Use of project approaches and global channels (e.g. international Organisations) has contributed to delivering on TRA objectives

2.2.3.1 I 2.3.1 - Project approaches used strategically to focus on specific challenges not addressable through budget support modalities

2.2.3.2 I 2.3.2 – Use of international organizations/initiatives provides added value that could not have been achieved through bilateral support

2.3 EQ 3 - To what extent has the Commission’s TRA support been designed and implemented in a coordinated and complementary fashion with other EU development and trade related policies and with other donors, in particular EU Member States?

2.3.1 JC 3.1: Mechanisms in place and effective in ensuring coherence of Commission TRA objectives with key selected development and trade-related policies

Summary:
<ul style="list-style-type: none"> • “A reason for the low concern for trade is the reliance on the fact that EC programming at regional level focuses on trade issues and it appears that services in charge of preparing the country strategies tend to consider that trade issues are covered elsewhere and that the focus can be placed on other sectors in the national strategies.”
Export Development Programme - FED/1999/014-668
MTR
p. 11
The policy dialogue underlying the preparation of the country strategies has usually been conducted with ample consultations of the beneficiary authorities and stakeholders, but it has not been guided by particular actions or pressure to integrate trade into the domestic policy documents and to streamline trade into domestic policies. A reason for the low concern for trade is the reliance on the fact that EC programming at regional level focuses on trade issues and it appears that services in charge of preparing the country strategies tend to consider that trade issues are covered elsewhere and that the focus can be placed on other sectors in the national strategies. The neglect of the trade dimension is, however, damageable, even given the important TRA provided at regional level, because then the country strategy does not permit to articulate the trade developments and reforms at country level with those envisaged at regional level.

2.3.1.1 I.3.1.4 Evidence of participation of Non-State Actors in the TRA programming and project management cycle

Summary:
<ul style="list-style-type: none"> • “A private sector chairman has been appointed to ZDA” • CapBuild: Civil society organizations, including trade unions, were supported to participate in the development of an enabling environment for private sector led economic development, and in activities to support improved public financial management and accountability. • “The Zambian private sector has not been very forthcoming in cooperating with the project” (CapBuild)
Export Development Programme - FED/1999/014-668
Final Evaluation
p. 38
A private sector chairman has been appointed to ZDA, but private sector involvement in the Board of the organization is limited, as the Board membership is dominated by public sector officials. The Chairman of ZDA is also the Chairman of ZEDEF (Zambia Export Development Fund) and has made encouraging public statements of his commitment to ensuring complete compliance of borrowers with loan conditions. However, in the absence of realizable collateral being held, the only recourse against non-performers may be lengthy and expensive litigation.

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TAP

Activities

Contributions of civil society organisations, including trade unions, towards private sector development are improved.

This grant facility will provide funds for civil society organisations to participate in the development of an enabling environment for private sector led economic development, and in activities to support improved public financial management and accountability. This will be achieved through:

- Awareness creation campaigns for the relevance and benefit of private sector led economic growth amongst the public and targeted stakeholders will be supported.
- Civil society perspective on the impact of the support measures in the public and private sector with respect to employment and poverty reduction.
- Support to trade unions to effectively contribute to private sector development in a socially acceptable and equitable way, in dialogue with government and private sector.

Monitoring Report ROM 2009

p. 1

The Zambian private sector has not been very forthcoming in cooperating with the project.

Background Conclusion Sheet ROM 2009

Efficiency

The call for proposals for capacity building activities to the business intermediaries and the non-state actors attracted limited interest and relatively poor proposals. As a result, only five proposals for business intermediaries and two for non-state actors were approved and are being implemented. A second call for proposals is expected under Programme Estimate 3, but the budget ceiling for each is considerable lower.

2.3.2 JC 3.2: Mechanisms in place and effective in ensuring coordination of Commission TRA with EU member states

2.3.2.1 I 3.2.2 Sharing of information and policy analysis on trade between Commission and EU Member States at the level of partner countries

2.3.2.2 I 3.2.3 Commission contributed to establishing coordinated EU positions on trade issues

2.3.3 JC 3.3 - Mechanisms in place and effective in ensuring coordination of Commission TRA with other development partners (non EU Member States)

2.3.3.1 I 3.3.1 Sharing of information and policy analysis on trade between Commission and other development partners at the level of partner countries

Summary:

- EDP: Good working relationships with other donor-funded TRA were established
- EDP: In start-up phase available information from other DPs were not used according to Final Evaluation
- Network of donors active at the regional level established to support implementation of Aid for Trade commitments

Export Development Programme - FED/1999/014-668

MTR

p. iv

The programme management has developed and maintained good working relationship with other donor funded trade-related technical assistance. Liaisons with the US funded ZAMTIE and the EU funded MSDP are good examples. These relationships should be encouraged, strengthened, and enlarged to other trade related projects for better coordination and synergy fostering.

Final Evaluation

p. 25

The Programme Manager did establish communications with other PSD programmes and achieved operational coordination with them. In the case of one beneficiary – AZWIM – the Programme Manager did coordinate with the Mining Sector Programme prior to accepting this PA as a client. It also coordinated with the USAID-funded PROFIT and MATEP programmes, in particular, to minimize the possibility of double-donor funding of firms' or PAs' activities.

p. 26

Even within the strategy implemented by the contractor, savings could have been made. For example, at the time of EDP II start up, EBZ had available detailed reports of seventeen sector or sub-sector studies of NTEs that had been undertaken between 2000 and 2002. In addition, other donor-led projects had also carried out similar studies, such as the USAID-funded ZAMTIE. These existing initiatives were relevant and could have adequately met the information requirements of EDP II at start-up if an effort had been made to draw on this pool of resources. EBZ was a collaborator in EDP II, to the extent of being represented on the SC of EDP II, which approved the studies in question. Against that background, the contractor-selected studies of companies, PAs and the agriculture sector were largely, if not wholly redundant.

EAMR

2008

p. 4

The Delegation initiated in 2007 a network of donors active at the regional level, by organising a first meeting in March 2007, and assisting COMESA with a 2nd partner coordination meeting in June 2007. Since then new contacts have been established (notably with USAID and DFID on Peace and Security) and the network maintained. The overall objective is to support implementation of Aid for Trade commitments at the regional level.

2.3.3.2 I 3.3.2 Evidence of functioning coordination mechanisms between development partners (DPs) and government incl. types, roles, participants, frequencies, chair, etc. at both national and regional level (e.g. sector working group for trade which meet regularly, ...)

Summary:

- Steering Committee for EDP was established. “That should have been sufficient to ensure good governance, but it failed to do so” (see below Final Evaluation p. 2.)
- Sector Advisory Group (SAG) on Industry and Trade exists and EDP II was foreseen to participate
- “The NWGT (National Working Group on Trade) replaced five separate committees. Its objective is to coordinate the development of an overall national trade negotiating strategy and prepare for individual negotiations as required. The secretariat to NWGT was provided by the EDP II PMU.”
- CapBuild: “A Memorandum of Understanding (MoU) has been signed between all donors operating in this field and the GRZ. Monthly meetings between the donors take place and every six months a joint meeting between the donors and the GRZ is held.”

<ul style="list-style-type: none"> • SC for CapBuild was established with EC as observer
Export Development Programme - FED/1999/014-668
TAP
<p>p. 4</p> <p>Exit Strategy: A Memorandum of understanding (MoU) will be signed by the end of the project, between the NAO and the Head of Delegation of the European Commission. That MoU will define how PAs' members will continue to have access to the balance of the EFF for financing working capital requirements, technical assistance and export promotion activities. The Commission will not be involved anymore in the decision-making process regarding the implementation of the MoU or its successors.</p>
<p>p. 4</p> <p>The Steering Committee (SC), comprised of representatives of the GRZ, the Commission and the PAs, will monitor the use of all EDPII funds. It will be responsible for advising on the allocation of resources according to the demands received. A manual of procedures regarding the use of funds will be prepared and approved by the SC.</p>
<p>p. 19</p> <p>A Steering Committee was set up to monitor the implementation of the programme periodically and provide advice. The SC is composed of members from the EC, NAO, Ministry of Commerce Trade and Industry, Ministry of Agriculture and a member from the Private Sector, who chairs the committee.</p>
<p>p. 31</p> <p>In line with the above, though the programme is required to focus on its micro level conception framework, the involvement of EDP II in the Sector Advisory Group (SAG) on Industry and Trade is very important to align with the Harmonisation in Practice (HIP) approach to development cooperation. Furthermore EDP II support to the national working group on trade, or the trade assistance to the Ministry of Commerce which by nature are meso level activities (in the framework of export development) should be continued.</p>
Final Evaluation
<p>p. 2</p> <p>The organizational set-up comprised a Steering Committee overseeing the work of the Programme Manager, with the NAO and the Delegation participating as members. That should have been sufficient to ensure good governance, but it failed to do so due to:</p> <ol style="list-style-type: none"> 1. The absence of a clear decision-making focus in the SC agendas and meetings 2. The inability of the NAO to take clear and principled decisions on basic contractual matters at a sufficiently early stage 3. The extent to which personnel changes affected the representation of both the NAO and the Delegation 4. The lack of relevant experience in the personnel of both the NAO and the Delegation 5. The complexity of the reporting style adopted by the Programme Manager and its acceptance by the SC, the NAO and the Delegation 6. The extension of the focus of the programme beyond the TORs, with a consequent loss of focus in its supervision 7. The lack of consultation with the PAs as a group, as the principal beneficiaries of the Programme.
<p>p. 19</p> <p>The NWGT (National Working Group on Trade) replaced five separate committees. Its objective is to coordinate the development of an overall national trade negotiating strategy and prepare for individual negotiations as required. The secretariat to NWGT was provided by the EDP II PMU. EDP II also financially supported a workshop for NWGT to assist in the establishment of objectives. The workshop was coordinated by a GTZ project based in SADC headquarters in Gaborone.</p>
Capacity Building for Private Sector Development - FED/2004/016-972
TAP

There is currently an informal coordination mechanism between donors involved in private sector development with meetings taking place (approximately) monthly. However, there is a need to improve coordination as there is little discussion of policy, and more of individual projects. MCTI is determined to become a driving force in coordinating the sector.

The project will be guided by a Steering Committee (SC), chaired by the Permanent Secretary of MCTI (or in his/her absence the Programme Manager i.e. the Director of Domestic Trade), and including senior officials from the Ministry of Finance and National Planning (also representing the NAO) and other Ministries deemed appropriate. The SC will also include private sector intermediary organisations and civil society, through nominees from the Management Committee guiding this set of activities. The EC will participate in the SC as observer. Meetings will take place quarterly and recommendations presented to the NAO and EC for decision making.

Background Conclusion Sheet ROM 2009

Efficiency

The project coordinates very well with similar interventions implemented by other donors. A Memorandum of Understanding (MoU) has been signed between all donors operating in this field and the GRZ. Monthly meetings between the donors take place and every six months a joint meeting between the donors and the GRZ is held.

Horizontal issues

The TC is relatively well harmonised with that of other donors. Coordination is satisfactory and overlapping is avoided. This meant the abandonment by the project of some activities because they were taken over by a parallel multi-donor project. The sustainability of benefits is still an issue and needs to be resolved by the project before it ends.

2.3.3.3 I 3.3.3 - Degree to which joint TRA strategies and programmes in place and operational in partner countries

2.3.3.4 I 3.3.4 - Degree to which TRA was focused on areas where the Commission has specific advantages over other development partners

2.4 EQ 4 - To what extent has the Commission's support contributed to an improved trade policy environment at national level?

2.4.1 JC 4.1 - Trade policy formulation and mainstreaming has been strengthened

Summary: <ul style="list-style-type: none"> • EDP was concentrated on micro-level • MTR of EDP: "This calls for a policy dialogue in which not only the country expresses its view, but also in which the contribution of the Commission's understanding and awareness of trade related issues is more pronounced." • CapBuild funded two policies, a Small and Medium Enterprises and a Competition policy.
Export Development Programme - FED/1999/014-668
MTR
p. 9 The Export Development Program II in aiming to strengthen the development of non-traditional exports operates largely independently of government agencies and the national financial system. The project is centred on micro level operations by performing basic export promotion functions - some of them are within in EBZ attributions - and supporting specific measures to lift non traditional export performance. Although the programme also covers, to some extent, meso level operations related to trade development policy as illustrated by the support to the National Working Group on Trade, it has not been conceived to contribute to promoting a national orientation to international trade. The project is operating in some degree of isolation from the main trade-related institutions of the state.
p. 31 This evaluation concludes that domestic policy documents, in particular PRSP which should encompass the whole poverty reduction dimension, tend to be very limited on the income generation potential aspects of trade because the country does not have the full resources and the capacity required to assess its real needs. This calls for a policy dialogue in which not only the country expresses its view, but also in which the contribution of the Commission's understanding and awareness of trade related issues is more pronounced. Within the EU programming cycle, there is a need for basing the country strategies on well documented trade analysis.
Capacity Building for Private Sector Development - FED/2004/016-972
Background Conclusion Sheet ROM 2009
Sustainability The project funded two policies: a Small and Medium Enterprises and a Competition policy. The former has been sent to the Cabinet Office and its adoption is imminent. The latter, although some progress exists, has some way yet to do in order to be adopted.

2.4.1.1 I 4.1.4 – Degree to which Non State Actors have participated in the trade policy formulation process

Summary: <ul style="list-style-type: none"> • Promotion of public-private sector dialogue as important element of CapBuild
Capacity Building for Private Sector Development - FED/2004/016-972
Background Conclusion Sheet ROM 2009
Design

The promotion of the public-private sector dialogue is also an important element of this project in this direction.

2.4.2 JC 4.2 - Institutional capacities of public trade-related institutions to promote regional and global trade and investments have been enhanced

2.4.2.1 I 4.2.1 - Robust analysis of why the level of capacity is as it is and clear identification of drivers and constraints for improving capacity

Summary:

- No needs analysis was included in initial design of EDP

Export Development Programme - FED/1999/014-668

MTR

Furthermore the initial design does not include a needs analysis. The evaluators found no documented evidence justifying the amount of funds allocated to the project both globally and to specific lines especially the EFF and the STTA. This raises the question of why the amount of STTA should be almost of the same level with the EFF. It is also questionable whether the size of the project and the resources mobilised are sufficient to make a meaningful contribution to improvements in the country's terms of trade.

2.4.2.2 I 4.2.2 Introduction / improvements of policy services provided by public trade-related institutions to citizens / enterprises

Summary:

- Eleven trade / sales missions were undertaken to four regional markets in the frame of EDP
- "Performance and service delivery of the Ministry of Commerce, Trade, and Industry and of the Statutory Boards is improved" as a foreseen result in the TAP of CapBuild.

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Final Evaluation

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Eleven trade / sales missions were undertaken to four regional markets: Angola, the Democratic Republic of Congo (DRC), South Africa and Tanzania. Encouraging responses were reported in respect of all four markets, as gauged by initial interest expressed by buyers there. No information was provided to indicate the extent to which this represented new business opportunities, or the extent to which it involved either first-time or experienced exporters. No follow-up exercise is known to have been undertaken to validate the extent to which these initial responses converted to either confirmed business done (results), or business relationships sustained over time (impact).

Capacity Building for Private Sector Development - FED/2004/016-972

TAP

Results:

Performance and service delivery of the Ministry of Commerce, Trade, and Industry is improved. Improved policy, legal and regulatory framework is in place.

- Performance and service delivery of the Department of Trade is improved, in particular with respect to trade negotiations.
- Performance and service delivery of the Department of Industry is improved, in particular with respect to promoting the growth of the SME sector.
- Dialogue with, and information services provided to the private sector are improved

Performance and service delivery of the Statutory Bodies is improved.

- Services to new and existing exporters by the Export Board of Zambia are improved.
- Efficient & effective services are provided to local and foreign investors by the Zambia Investment Centre.
- Improved standards testing and certification services are provided by the Zambia Bureau of Standards (with sub-programmes in Zambia Weights & Measures Authority).
- Services with respect to the provision of a regulatory environment by the Zambia Competition Commission are improved.
- provision of all these services by Zambia Development Agency is improved (from 2006)

2.4.2.3 I 4.2.3 Increased quality of outputs of TRA supported institutions

2.4.2.4 I 4.2.4 Changes of 'customer' satisfaction related to the output produced by trade-related public institutions

2.4.3 JC 4.3 - Trade negotiation capacity has been enhanced

2.4.3.1 I 4.3.1 - Quality of training and other specific EC support activities to enhance negotiations

Summary:

- EDP: "Zambia has not developed significant expertise in government to deal confidently with trade issues and engage effectively in international trade negotiations"
- EDP provided to MTIC comprised two inputs which provided advisory services in the field of trade negotiation
- "Performance and service delivery of the Department of Trade is improved, in particular with respect to trade negotiations" as a foreseen result in CapBuild

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MTR

p.10

It is probably because of this commercial background that Zambia has not developed significant expertise in government to deal confidently with trade issues and engage effectively in international trade negotiations. There is a lack of capacity even to define requirements for assistance, and consequently there have been no strong demands on the EU for trade related assistance to Zambia. Projects have been of the traditional kind. Inputs have been provided at functional level - for instance in the form of training, limited equipment and special credit lines to help enterprises overcome specific constraints to the development of their production and exports - rather than assistance in the development of coherent trade policies and negotiating strategies related to developments in international trade.

Final Evaluation

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The TA provided to MTIC comprised two inputs which provided advisory services in the field of trade negotiation, culminating in the establishment of the National Working Group on Trade (NWGT) and an assessment of national trade statistics.

p. 28

The consultancy to MCTI did contribute to the development of the national management of trade negotiations.

Capacity Building for Private Sector Development - FED/2004/016-972

TAP

Results:

Performance and service delivery of the Department of Trade is improved, in particular with respect to trade negotiations.

Activities

Improved services of the Department of Trade

The Department monitors and regulates domestic trade. The Safeguards unit is mandated to implement the "Control of Goods Act", and elements of the "Customs and Excise Act". Studies are carried out on the design and implementation of regulations and compliance to international trade requirements. Capacity building to support these activities will be provided, including the launching of the "Buy Zambia Campaign". Support will also be given to improve trade negotiations and to involve private sector stakeholders in the negotiation process.

2.4.3.2 I 4.3.2 Degree of participation of national stakeholders (including NSA) in trade negotiations

2.4.3.3 I 4.3.4 Degree to which negotiators managed to reach stated objectives, e.g. in dispute settlements / arbitration

2.5 EQ 5 - To what extent has the Commission's TRA to trade facilitation contributed to reducing trade-related transaction costs?

2.5.1 JC 5.1 - EU interventions contributed to simplification, standardisation and harmonisation of trade procedures

2.5.1.1 I 5.1.1 - Diagnostic studies, gap analysis, policy plans produced

2.5.1.2 I 5.1.2 - Level of legal and regulatory adjustments: simplification, standardisation and harmonization regarding the type and quantity of documents (incl. licences) required for exporting and importing goods

2.5.1.3 I 5.1.3 Framework for coordinated enforcement mechanisms at national level (inter-institutional cooperation) in place

2.5.2 JC 5.2 - Operational environment for trade at national or regional level improved, including modernised customs systems

2.5.2.1 I 5.2.1 - Design of customs reforms and upgrading based on modern principles (RKC etc.)

2.5.2.2 I 5.2.2 Evidence of strengthened customs procedures and systems (automation, transparency, number and content of complaints, etc.)

2.5.2.3 I 5.2.3 Evidence of strengthened customs administrations (e.g. improved HR recruitment procedures, training and management)

2.6 EQ 6 - To what extent has the Commission's TRA contributed to third countries' participation in the design of, and subsequently compliance with, trade-related technical standards and to enhanced conformity assessments?

2.6.1 JC 6.1 - Strengthened SPS / TBT policy, legislation and regulation

2.6.1.1 I 6.1.1 - Institutional capacity development of Quality Infrastructure is based on situational and institutional (gap) analyses

Summary:
<ul style="list-style-type: none"> • IN TAP a comprehensive review of specific Quality Infrastructure institutions was planned
Capacity Building for Private Sector Development - FED/2004/016-972
TAP
<p>Activities</p> <p>Improved services: Zambia Bureau of Standards, Zambia Weights & Measures Authority, Assizes Dept, Accreditation Unit</p> <p>The absence of adequate standards, testing and certification services is a significant problem for the expansion of the private sector. Exports are affected by high costs and other barriers created by the lack of certification. The project will support a comprehensive review and development of a strategic action plan. Services will be redeveloped according to the action plan and equipment and laboratory facilities procured. A training programme will be implemented.</p>

2.6.1.2 I 6.1.2 - The private sector, in particular exporters' associations, have been consulted at the design stage and their priorities and concerns are reflected in assistance to the development of Quality Infrastructure

2.6.1.3 I 6.1.3 - Level of coordination of SPS, TBT at national level (such as national quality council, Quality Directorate etc.)

2.6.1.4 I 6.1.4 - Evidence of systematised overviews (e.g. databases) of national technical regulation, standards and conformity assessment procedures, and national enquiry point established

2.6.1.5 I 6.1.5 - Adoption (scope and speed) of international or regionally harmonised standards and technical regulations at national legislative and regulatory level

2.6.2 JC 6.2 - Appropriate and sustainable quality infrastructure related to SPS and TBT developed

2.6.2.1 I 6.2.1 - Improvements of quality infrastructure (technical centres, conformity assessment bodies, laboratories, etc.) in terms of physical infrastructure, human resources endowment, relevant qualification of staff

Summary:
<ul style="list-style-type: none"> • "Technical advisory missions for helping the PAs to deal with SPS/TBT issues and preparation of standards data bases" recommended in MTR of EDP • ZBS and ZWMA were supported with equipment and training, etc. through CapBuild
Export Development Programme - FED/1999/014-668
MTR

p. 37 Recommendations

STTA should now focus more on activities that are demand driven and that respond more directly to the beneficiaries including EBZ and thus enhancing EDP II's STTA orientation towards recipients.

Obviously this does not confine to reports only but embrace other deliverables for example:

- Training,
- Technology support, (including temporarily supply of high level engineer/technician, Installation of improved quality control systems ...)
- Standards and quality management (including Technical advisory missions for helping the PAs to deal with SPS/TBT issues and preparation of standards data bases),
- Product development and diversification by sector, (including Enhancing production efficiency and advice on production and market development, as appropriate to specific enterprises. Inputs to provided would help farmers/producers at the "working floor level" in several areas, incl.product development,)
- Etc.

EDP II could also highlight the need to comply with environmental and social standards. for example in assisting in the establishment of SPS and TBT enquiry points, in facilitating product traceability extending the application of HACCP, in assisting in the development of environmental and social standards certificates issuing that may promote exports by labelling Zambia products as "environmentally friendly" or "complying with European social standards" as "free of child labour".

Capacity Building for Private Sector Development - FED/2004/016-972

TAP

Results

Improved standards testing and certification services are provided by the Zambia Bureau of Standards (with sub-programmes in Zambia Weights & Measures Authority).

Monitoring Report ROM 2007

p. 2

Some of the bright spots in the otherwise bleak outlook are the progress in preparing the tender documents for the procurement of laboratory and testing equipment for the ZABS, and significant training activity there

Background conclusion Sheet ROM 2009

Efficiency

Output delivery is more or less on track in the case of the Bureau of Standards (ZBS - the main project beneficiary in terms of funding). The building works are almost over, the equipment has been provided and it is in the process of being installed, some training from the equipment providers is currently in progress, upgrading of electric power provision in progress. Some minor equipment components and accessories as well as additional training is required for the effective use of the new laboratories. The delivery of outputs to the Zambian Weights and Measures Authority (ZWMA) is satisfactory (training, computers, building works, furniture, cars, etc). The procurement of weights and measures equipment has not taken place yet, although it should have come before upgrading staff capabilities.

2.6.2.2 I 6.2.2 - Change in use of quality infrastructure services by private sector (e.g. export volumes)

Summary:

- The expressed need for more awareness campaigns indicates that the services of the Bureau of Standards were not used increasingly by the private sector

Capacity Building for Private Sector Development - FED/2004/016-972

Background Conclusion Sheet ROM 2009

Design

Despite the inclusion on some awareness campaigns for businesses and consumers, linked to the interventions on certain statutory bodies, no comprehensive demand side interventions exist. Furthermore, even these awareness campaigns do not exist for the Bureau of Standards, where they are mostly needed. Ideally demand side interventions should also include: awareness increasing and capacity building activities to conform to the multilateral trading system standards.

2.6.2.3 I 6.2.3 - Evidence of sustainability of quality infrastructure (e.g. business plans address this issue)

2.6.3 JC 6.3 - Strengthened national capacity to engage at international level of standard setting bodies

2.6.3.1 I 6.3.1. Increased active participation of national representatives (including NSA) at international quality initiatives and standard setting bodies

2.6.3.2 I 6.3.2 - Number of (sectoral) preparatory meetings organised at country level prior to participation in international standard setting bodies

2.6.3.3 I 6.3.3 - Evidence of amendments and additional elements in international standards reflecting developing countries' concerns

2.6.4 JC 6.4 - Cost of compliance reduced

2.6.4.1 I 6.4.1 - Decrease, for private sector, of cost of certification and compliance

2.6.4.2 I 6.4.2 - Reduction in number of export consignments refused for non-compliance

2.7 EQ 7 - To what extent has the Commission's TRA contributed to deepening regional economic integration?

2.7.1 JC 7.2 - Degree to which Commission TRA facilitated the implementation of regional economic commitments at national level

2.7.1.1 I 7.2.1 - Regional agreements reflected in national government policy and commitments implemented at national level, including reduction of applied tariff rates and non-tariff barriers

2.7.1.2 I 7.2.2 Broader national adjustment and implementation measures resulting from regional commitments are supported at national level (NIP)

Summary:

- Support to the Department of Trade in regard of international trade requirements planned for CapBuild

Capacity Building for Private Sector Development - FED/2004/016-972

TAP

Activities

Improved services of the Department of Trade

The Department monitors and regulates domestic trade. The Safeguards unit is mandated to implement the "Control of Goods Act", and elements of the "Customs and Excise Act". Studies are carried out on the design and implementation of regulations and compliance to international trade requirements. Capacity building to support these activities will be provided, including the launching of the "Buy Zambia Campaign". Support will also be given to improve trade negotiations and to involve private sector stakeholders in the negotiation process.

2.8 EQ 8 - To what extent has the Commission's TRA support to Trade Development helped improving market access and investment climate?

2.8.1 JC 8.1: Enhanced availability and quality of trade promotion services

2.8.1.1 I 8.1.1 Improved advocacy through private sector organizations (including associations and NSA) on trade development vis-à-vis the government

Summary:

- Private sector organizations targeted under EDP II are relatively young and not as well organised as those that were assisted under EDP (I)

Export Development Programme - FED/1999/014-668

MTR

p. vi

With regards to the SITTA scheme, designed to provide PAs and members with relevant knowledge and skills to manage their operations and to help them position their businesses to be able to quickly anticipate and respond to the export environment in their relevant sectors, bottlenecks experienced related to contracting of short term technical assistants. This has slowed down the provision of assistance to build management, organisational and technical capacities of targeted PAs, their members and groups of companies. To this effect negligible numbers of PA members have received short term TA. EDP II targeted PAs are relatively young and not as well organised as those that were assisted under EDP (I). Significant direct intervention by TAs would be necessary to raise their management and technical capacity and that of their members. This unfortunately in the first two years or so of EDP II was not achieved under the contacting procedures in place and as AWP 2 progresses the programme still does not have clear guidelines as to how this can be put in place.

2.8.1.2 I 8.1.2 Improved quality of trade-related services through trade promotion agencies and private sector organisations

Summary:

- International Promotion activities were carried out under EDP
- “A total of 28 PAs were engaged in the EU-EDP II programme who have expanded market knowledge and contacts, expanded exports, increased management capabilities, increased employment and improved access to capital and finance. Of these 15 were actively engaged with the programme and these represent member companies totalling at least 420 companies, and a considerably greater number of smaller entities.”
- “All participant PAs report positive export developments from their involvement in EDP II.”
- “The support to the international promotion programme of EBZ / ZDA was not adequately integrated with programme objectives, but was instead, responsive to the priorities of that organization.” → “Export Board of Zambia, which received substantial financial and technical assistance from the programme, was voted the best trade promotion organization (TPO) from an LDC at the World TPO Awards 2006.”
- For CapBuild, planned results were improved services of EBZ and private sector intermediary organisations

Export Development Programme - FED/1999/014-668

MTR

p. v

Finally awareness and information on markets for the Zambian NTEs is necessary for growth in production and sales of exports. International promotion of NTEs was necessary to help cultivate this awareness and market.

p. vi

The Promotional activities have been weak and assistance to EBZ has not yet been duly implemented.

p. vi

In terms of international promotion and assistance to EBZ, activities carried out are mainly production of brochures and networking Zambian and Foreign companies. The effectiveness of these interventions is too early to assess. Significant assistance has yet to be provided to EBZ. However an agreement was recently reached on a joint programme of promotional activities for 2005 and an outline schedule of technical assistance relating to institutional support to EBZ.

p. 23/24

Activities carried out are mainly production of brochures and networking Zambian and Foreign companies and their effectiveness are too early to assess. Significant assistance has yet to be provided to EBZ. The EBZ had a specific role in EDP (I) but this has not been carried through in the Financing Agreement covering EDP II. the TOR of EDP II however indicates that technical assistance may be provided to EBZ. According to the Meenan reports of May 2004, a basic strategy for co-operation between the PMU and EBZ was prepared, proposed, discussed and agreement reached. The inputs agreed are as follows:

- “Review the current structure and staffing of the Product and Market Development division of EBZ, assessing its capacity and capability.
- Review the processes for developing programmes of promotional activities and Co-ordinate these, in conjunction with EBZ management, with those of EDP II.
- Install a systematic process for selecting promotional activities and developing promotional programmes.
- Review the processes for planning promotional activities to ensure co-ordination with those of EDP II.
- Identify relevant skill gaps and recommend appropriate strategies to address them.

Establish an evaluation process for the contributions of EBZ staff members to EDP II. • Develop a monitoring process to evaluate the increasing effectiveness of EBZ inputs into the

EDP II work programme. • Review alternative financing mechanisms to fund promotional activities.

- Develop an effective alternative method of generating revenue to implement an autonomous and proactive programme of promotional activities by EBZ. In addition to formal technical assistance inputs, EBZ officers are to receive hands-on training by becoming part of the consultant-led teams that will design and implement specific activities. Financial support could be provided for the airfare and subsistence expenses of EBZ officers participating in an executive role in EDP II activities. Appropriate focussed training activities may also be funded

p. 26

All participant PAs report positive export developments from their involvement in EDP II. This is variously manifested through a greater willingness on the part of PAs to re-contract (due to improved performance on delivery logistics) or through opportunities identified in export development activities (e.g. trade fairs).

Final Evaluation

p. 3

Of actions undertaken beyond the TORs (and hence, irrelevant to the achievement of project purpose),

it should be noted that the Export Board of Zambia, which received substantial financial and technical assistance from the programme, was voted the best trade promotion organization (TPO) from an LDC at the World TPO Awards 2006. These awards are sponsored and assessed by the International Trade Centre (WTO).

p. 17

In the view of the evaluation, thirty of the forty-eight assignments, costing € 921,488 (about 50% of the total expenditure on STTA) did not provide direct benefit of the type anticipated in the TORs, to either the PAs or their members. The first STTA assignment carried out in response to a PA request was undertaken in the last quarter of 2006, nearly three years after the start of programme operations. This delay was partly caused by the contractual problems that arose over the legality of STTA being within the contract to manage the programme.

p. 28

The contractor-selected TA to PAs was, according to the anecdotal feedback received by the evaluation, of some use to helping these organizations improve their service offer to their members. The STTA provided to PAs on a demand-driven basis was also appreciated.

p. 32

The support to the international promotion programme of EBZ / ZDA was not adequately integrated with programme objectives, but was instead, responsive to the priorities of that organization. As a result, the uses to which the promotional funds were put did not benefit the participating PAs and their members as much as they could have done. EBZ and its successor, the export promotion division of ZDA have suffered from a long-standing lack of resources. GRZ does not include any costs other than the basic establishment ones (premises, staff costs and utility expenses) in its financial support to the organization. As a result, it is obliged to seek donor support for any promotional activities it wishes to undertake. In the view of the evaluation, a question remains over the appropriateness of continuing support to ZDA, when it is not attracting adequate financial commitment from GRZ to maintain its operations.

Final Report

p. 5

A total of 28 PAs were engaged in the EU-EDP II programme who have expanded market knowledge and contacts, expanded exports, increased management capabilities, increased employment and improved access to capital and finance

Of these 15 were actively engaged with the programme and these represent member companies totalling at least 420 companies, and a considerably greater number of smaller entities.

Capacity Building for Private Sector Development - FED/2004/016-972

TAP

Results

Services to new and existing exporters by the Export Board of Zambia are improved. [...]

Performance and service delivery of the private sector intermediary organisations is improved.

Activities

EBZ has a strategic plan to increase exports in specific products. This plan incorporates the participation of private sector stakeholders in developing action plans, and in taking part in market research, trade missions and trade fairs etc. The plan considers the role and training needs of Zambian missions overseas. Support will be provided for the implementation of the strategic plan.

2.8.2 JC 8.2 - Extent to which Commission TRA has supported the development of FDI strategies and legal frameworks thus contributing to increases of FDI flows

2.8.2.1 I 8.2.2 - Evidence of an investment promotion strategy which provides matching between the country's assets and investors' requirements

Summary:

- Investigative assignment aimed at developing a detailed methodology and plan for the implementation of a targeted Investment Promotion strategy was carried out under EDP

Export Development Programme - FED/1999/014-668

Final Evaluation

p. 19

Two assignments were also undertaken in the field of 'Investment Generation' in accordance with the indication given in the contractor's technical proposal. The first of these took place during the SWP and comprised an investigative assignment aimed at developing a detailed methodology and plan for the implementation of a targeted Investment Promotion strategy. A second assignment undertook an assessment of specific needs of individual companies and five were identified as having potential for a strategic partnership. The report recommended that EDP II support the companies in addressing the identified needs.

2.8.2.2 I 8.2.3 - Legal and regulatory framework is more investor-friendly, including tax incentives while addressing environmental concerns

Summary:

- "In Zambia, the Commission is supporting environmental protection and rehabilitation initiatives. However, little has been done to factor environmental issues into the delivery of Trade Related Assistance as environmental issues are not covered in the context of international trade."
- In Zambia, "there is currently no dedicated incentive structure for investment in the non-traditional export sector"

Export Development Programme - FED/1999/014-668

MTR

p. 8

Following the amendment by Government in 1996 of the 1993 Investment Act (Section 30A and 31) which effectively removed all special incentives for nontraditional exporters, there is currently no dedicated incentive structure for investment in the non-traditional export sector. This is inhibiting a positive investment response to new opportunities in the NTE sector.

p. 28

In Zambia, the Commission is supporting environmental protection and rehabilitation initiatives. However, little has been done to factor environmental issues into the delivery of Trade Related Assistance as environmental issues are not covered in the context of international trade.

Capacity Building for Private Sector Development - FED/2004/016-972

TAP

An improved regulatory framework will promote environmental issues. Improved trade negotiations will enhance markets for which Zambia has a sustainable competitive advantage. An improved business environment will promote tourism. These improvements will reduce exploitation, illegal utilisation and missed opportunities for adding value to natural products, and benefit the conservation and sustainable utilisation of Zambia's environment. Improvements in regulatory enforcement will assist in reducing uncontrolled industrial development.

2.8.2.3 I 8.2.5 - Availability of quality investors' information/guides

Summary:

- Services for Investor's were foreseen to be improved

TAP

Results

Efficient & effective services are provided to local and foreign investors by the Zambia Investment Centre..

2.8.3 JC 8.3 Improved access to trade finance

2.8.3.1 I 8.3.1. Regulatory and supervisory framework conducive for trade-related finance developed

2.8.3.2 I 8.3.2 Widened product portfolio and increased access to and use of trade-related financial services (incl. by gender, e.g. female owned enterprises)

Summary:

- “The consultancy services provided in relation to investment generation were reported at the time to have led to two unnamed investor contacts”
- Trade finance provided through EFF (Export Financing Facility)

Export Development Programme - FED/1999/014-668

MTR

p. iv

The delivery methods are also appropriate as a quick disbursing credit mechanism without collateral in an environment where commercial banks were reluctant to lend to associations and businesses due to the perceived risks associated with lending to local businesses and the ease with which the banks could access Government Treasury Bills as a source of investment, was significant and necessary to kick start export development.

p. 5

It appears from the designed programme activities that the overall balance of EDP II is probably tilted more towards access to markets issues and less to supply-side issues. The whole range of issues that concerns EDP II have more to do with market-access issues than with those on the supply-side. There is growing evidence at the field level that if these are to compete in global markets, the problems are largely on the supply-side. The problems are to do primarily with generating surpluses for export of globally marketable products. This requires investment and infrastructure at the farm and enterprise levels and therefore, apart from technical assistance – part of it being geared towards establishing the linkage with capital assistance-, what is required is capital investment. Instead of export-sector strategies which focus more on the market side, they should be adjusted to be more engaged on resolving supply-side issues and linking up with potential investors and financiers, whether they are local banks or multilateral financing institutions. The current EDP II has unfortunately not been designed to adequately to identify the scope for more emphasis to be placed on resolving supply-side constraints and to deal with these issues. It is the evaluators understanding that the coming World Bank financed Enterprise Development Programme will deal with this issue. This will therefore contribute to enable a better environment for a greater impact for EDP II assigned activities.

Final Evaluation

p. 25

The consultancy services provided in relation to investment generation were reported at the time to have led to two unnamed investor contacts, but the tasks of the assignment appear not to have generated or contributed to the generation of these contacts. Neither is there is any evidence available to the evaluation to show that the programme either monitored or followed up these contacts. As a result, no contribution can be reported.

2.8.4 JC 8.4 - Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission's TRA support (incl. fisheries, agriculture and forestry)

2.8.4.1 I 8.4.1 - Evidence of growth of exports of supported sectors

Summary: <ul style="list-style-type: none">• “Programme management reported that export sales of € 25 million had been generated by the activities of the programme and over 3,000 additional jobs had been created.”
Export Development Programme - FED/1999/014-668
Final Evaluation
p. 3 Programme management reported that export sales of € 25 million had been generated by the activities of the programme and over 3,000 additional jobs had been created. This information was generated from the responses of PAs to questionnaires issued by the PMU.

2.8.4.2 I 8.4.2 - Geographic diversification of exports of supported sectors

2.8.4.3 I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors (incl. agriculture, fisheries & forestry).

Summary: <ul style="list-style-type: none">• “It remains a fact that insufficient reform of the policy and regulatory environment contributes to the continued existence of a constraining business environment.”• “Evaluations and interviews confirm that EDP II contributes in setting the ground for stimulated export sales; however, it is doing so without affecting the global conditions for trade so that the major constraints are not alleviated and the sustainability of the positive impact is at risk.”• “The business environment in terms of non-tariff barriers to trade has not improved significantly. In cases reported to the evaluation mission, the business environment has disimproved, as State monopoly agencies increase their prices in an effort to improve their finances.”
Export Development Programme - FED/1999/014-668
MTR
p. iii EDP II benefits from a specific credit line allowing for bypassing the constraints faced by Non Traditional Exporters in accessing credit from the financial sector intermediaries. Whereas this undoubtedly increased the efficiency of the project and helped to achieve its immediate results it was less efficient from a global point of view than an effort to address directly the deficiencies of the financial sector. It is clear that addressing the deficiencies of the financial sector would have been a completely different project. By helping beneficiary enterprises to overcome financing constraints it is contributing effectively to a diversification of exports and to strengthening small scale export capacities. But it provides an ad hoc response, to fill temporarily a gap, to a systemic problem. It is effectively rescuing a sector and preserving or developing an export capacity that might otherwise have been destroyed or remained at sub optimal performing capacity.
p. vii Despite this relative achievement, it remains a fact that insufficient reform of the policy and regulatory

environment contributes to the continued existence of a constraining business environment. Given that the programme is conducted in the absence of a supportive regulatory, policy and institutional framework, it may effectively deliver results to its direct beneficiaries without producing a significant and sustainable impact. The programme is indeed helping its target Producer Associations and member enterprises to circumvent some obstacles during the life of the project but it has not removed the constraints these enterprises are facing.

p. vii

The major constraints for NTE export development identified at the conception of the programme have not been lifted and are not likely to disappear at the end of the programme, namely (a) inadequate enabling environment and (b) insufficient competitiveness of producers.

p. 24

Evaluations and interviews confirm that EDP II contributes in setting the ground for stimulated export sales; however, it is doing so without affecting the global conditions for trade so that the major constraints are not alleviated and the sustainability of the positive impact is at risk. The project has addressed a major constraint, the lack of well performing financial intermediaries, by providing ways of overcoming it (concessional credit lines and indirect tax exemption) rather than by contributing to its resolution.

Final Evaluation

p. 36

The business environment in terms of non-tariff barriers to trade has not improved significantly. In cases reported to the evaluation mission, the business environment has disimproved, as State monopoly agencies increase their prices in an effort to improve their finances.

2.8.4.4 I 8.4.4 Evidence of trade-oriented clusters, value chains or sectors (e.g. in agriculture, fisheries & forestry) being strengthened

Summary:

- EDP “has performed admirably in helping to create jobs within the industries it supports.”
- “All beneficiaries interviewed acknowledged the advantages now available through the programme and admitted it has improved accessibility to export markets through additional funds and technical expertise.”

Export Development Programme - FED/1999/014-668

MTR

p. vi

The evaluation team saw very little evidence of positive impact of the programme in terms of expanding beneficiaries’ export capacities, promoting product and export diversification. Furthermore, little information could be obtained on quantification of these effects.

p. 25

The table below shows the programme management expected impact but again this evaluation is taken place too early in the project cycle of the EDP II undertaken interventions and full assessment of these indicators has been impossible.

Source EDP II

	Jobs	Exports	
	2003	2005	
	2003		2005

Lumaz	679 000,00	165,00	1 595 000,00 €	387,00 €
OPPAZ		6 053,00 3 000 000,00 €	7 500,00 €	1 700 000,00
AZWIM	34 000,00	116,00	250 000,00 €	120,00 €
ZCFA	2 559 000,00	270,00	7 125 000,00 €	360,00 €
LIAZ		490,00 9 100 000,00 €	670,00 €	3 100 000,00
TPAZ		7 094,00 21 070 000,00 €	9 037,00 €	8 072 000,00
Increase	1 943,00			12 998 000,00
Increase %	27,39 161,03			
Final Evaluation				
p. 20 Non-parametric results reported in respect of the participating PAs [and their member-firms] included “expanded market knowledge and contacts, expanded exports, increased management capabilities, increased employment and improved access to capital and finance.”				
Monitoring Report ROM 2005				
p. 1 All beneficiaries interviewed acknowledged the advantages now available through the programme and admitted it has improved accessibility to export markets through additional funds and technical expertise. GDP growth, a reduction in poverty and increased employment have all resulted through interaction with the various Producer Associations (PA).				
p. 2 The overall objective and project purpose of EDP II concern, via increased competitiveness of Zambian exports, contributing to GDP growth, poverty alleviation and employment in the country. Since the inception of the programme in early 2003, EDP II has performed admirably in helping to create jobs within the industries it supports. Employment figures, gathered from the beneficiary PAs, show a 33% increase in the creation of jobs by these PAs, as well as a 204% increase in exports by the PAs. Feedback from PAs has indicated that a total of 17,085 jobs have been created in the various industries since the inception of EDP II. Obviously, this growth is significant, but much depends upon the development of the exchange rate of the Zambian to ensure that this growth can continue.				

2.9 EQ 9 - To what extent has the Commission’s TRA mainstreamed poverty reduction in TRA design and implementation?

2.9.1 JC 9.1 - Commission TRA analysed and targeted key poverty issues (and the gender implications) during design

2.9.1.1 I 9.1.1 - Main employment aspects (gender) analysed and addressed in the design of TRA interventions

Summary:

- Gender aspects are analysed in FA of EDP but no specific gender objectives are integrated in design

Export Development Programme - FED/1999/014-668

FA

FA Annex B

Zambia has a policy on gender equality. In the draft National Gender Policy of June 1998, both the section on the agriculture sector and the section on commerce, trade and industry sectors include measures to redress gender imbalances, establish mechanisms to remove constraints, and encourage women participation in those sectors.

The involvement of women in agriculture is as follows:

- 78% of all economically active women work in agricultural production, compared to 64% of men;
- 86% of women work on family (male-headed) plots, compared to 40% of men.

ZAHV AC big sister companies, acknowledging the constraints faced by women in accessing outgrowers schemes, place a special emphasis on recruiting women to participate in the project:

- for the 1998/99 season, the percentage of farmers that were female ranged from 30% to 100% according to locations, with an average of 58%;
- for the 1999/2000 season, ZAHV AC wants to recruit an additional 1,000 farmers over 3 locations, with an average of 60-100% women among them.

Four out of the six positions in ZAHV AC Steering Committee are; women (including the Chair and Vice-Chairperson).

Women are not much involved in the leather industry, in particular in tanneries where heavy work has been considered as more suitable for men.

In the clothing industry, due to the shrinking of the industry, a high number of middle aged tailors have joined clothing factories. The project wants to promote the employment of young women instead.

Under the project, participants will have access to credit and technology, which are the usual major constraints for women.

The project therefore supports the Zambian policies on gender equality.

MTR

p. viii

The TOR of the EDP II project had not systematically invited consultants to explain how they will factor crosscutting issues into project implementation during tendering processes and development of project Work Plans in the inception phases of the TA delivery. The new Guidelines for European Commission Trade-related Assistance include coverage of trade and the environment and could be used for the remaining period of the project. (i) Environment: Although the Commission is supporting environmental protection and rehabilitation initiatives, little has been done to factor environmental issues into the delivery of Trade-related Assistance in Zambia. (ii) Gender: No specific

gender objectives are embedded in the design of EDP II. Neither the FA nor the contract has requested the programme management to weave any aspects of gender into programme implementation or monitoring. This is at odd with current EU norms and practices. As a result targeted PAs are not requested to provide details of membership nor are they required to provide employment figures of their members disaggregated into gender. It is also not possible from data collected by the programme to ascertain how many PA member enterprises that have accessed credit are managed by women or men.

2.9.1.2 I 9.1.2 - Socio-economic aspects of TRA interventions analysed and addressed in design

Summary:

- CapBuild “has not been planned on the basis of gender-differentiated analysis.”

Capacity Building for Private Sector Development - FED/2004/016-972

Cross cutting issues

The project has not been planned on the basis of gender-differentiated analysis. Project results are expected to be gender neutral. Therefore, no obvious gender positive results are expected.

2.9.1.3 9.1.3 - Incorporation of opportunities for Fair Trade initiatives in TRA programmes

2.9.2 JC 9.2 - Commission TRA monitored and documented poverty aspects of TRA during implementation and their gender implications

2.9.2.1 I 9.2.1 - Poverty and gender issues consistently addressed in M&E of TRA support

Summary:

- CapBuild: Monitoring of gender issues was planned

Capacity Building for Private Sector Development - FED/2004/016-972

TAP

Improved services for the private sector will provide services to businesses of all sizes owned by women. Key areas of interest for women are access to land, employment and small business development. At the level of micro and small scale businesses, gender issues are often highlighted in terms of access to credit and business opportunities. Special interest groups exist: Zambia Women in Agriculture, Zambia Women in Mining, Women's Finance Trust. These intermediary organisations could play a strong two way role, dialoguing with GRZ and training members. Gender issues will be closely monitored throughout the project, and intermediary organisations will be encouraged to apply for the Private Sector Facility.

2.9.2.2 I 9.2.2 - Evidence of interventions being adjusted to optimise effect on poverty reduction

2.9.3 JC 9.3 - TRA supported enforcement of ILO standards

2.9.3.1 I 9.3.1 - ILO standards addressed in the design of relevant Commission TRA

2.9.3.2 I 9.3.2 - Agencies benefitting from/participating in Commission TRA activities promote ILO standards

2.10 Further important findings/text extractions, not attributable to one specific indicator

Summary:

- EDP: Poor Project design was identified as big problem for implementation in the MTR
- Producer Associations as channels for programme implementation as a new approach

Export Development Programme - FED/1999/014-668

MTR

The evaluators noted that the design of the project overlooked many critical issues (government policy and institutional constraints, contract type, clear setting of objectives, sound needs analysis, beneficiaries etc.) and leaves room for too many subjective text interpretations. It is far from being "people proof".

p. 18

The channel selected to deliver programme inputs to the beneficiaries is the Producer Association. The decision to use Producer Associations may be considered novel in that it makes an attempt to build in the aspect of group morality or peer pressure into the programme. This could have been seen as particularly necessary in the atmosphere then of a perceived poor credit repayment culture among local

entrepreneurs.

The aspect of moral pressure could have a positive effect on loan recovery rates where all members of the relevant PA buy into the need to be bound to repay the loans. Where only one member of the association has accessed credit through EFF, as in the case of the leather industry association, the case for moral pressure falls away.

The choice of the use of PAs could also have been a deliberate attempt by the programme designers to ensure that intervention into any given targeted sector is not accessed by an isolated individual/enterprise but by a number of players thereby ensuring that the impact into a sector has an exponential rather than a linear effect.

One could argue that as no loans disbursed by EDP II have been repaid yet, and reflecting on the amounts that are still owed to the previous EDP by members of the producer associations that benefited from EDP(I), the delivery channel selected may not make much difference to achievement of objectives of EDP II.

3 Annex

3.1 Key documentation used for the analysis

3.1.1 Project documentation of main interventions

<i>Intervention</i>		<i>TAP</i>	<i>Eval</i>	<i>ROM</i>	<i>Progress (MTR)</i>	<i>Final reports</i>
EXPORT DEVELOPMENT PROGRAMME II (EDP I: 7ZA013/10000000.00)	FED/1999/014-668	FA, Rider	Final Evaluation	Monitoring Report + Synopsis 04, Monitoring Report + Synopsis 05, Monitoring Report + Synopsis 06	MTR	Final Report
Capacity Building for Private Sector Development	FED/2004/016-972	FA, Addendum		Monitoring Report 07, Monitoring Report + Synopsis + Background Conclusion Sheet 09		

3.1.2 EC documentation on trade-related assistance in the country

<i>Source</i>
EAMR: Sep. 2004, Aug 2005, Jan 2006, July 2007, July 2008, July 2009, July 2010

Annex 5

Document List - General

- ADE, 2004: Evaluation of Trade-Related Assistance by the European Commission in Third Countries
- ADE, 2006: Revue du Programme d'Appui Budgétaire Conjoint pour la Réduction de la Pauvreté (2004-2006) de la Commission Européenne au Bénin
- Alcalá, Francisco / Ciccone, Antonio, 2004: Trade and Productivity. In: The Quarterly Journal of Economics, Volume 119, Number 2
- Aldaz-Carroll, Enrique / et al, 2006: Regional Approaches to Better Standards Systems, World Bank Policy Research Working Paper 3948
- Alliance2015, 2007: The EU's contribution to the Millennium Development Goals - Halfway to 2015:Mid-term Review
- Ayyagari, Meghana / Demircuc-Kunt, Asli / Maksimovic, Vojislav, 2011: Small vs. Young Firms across the World - Contribution to Employment, Job Creation, and Growth (Policy Research Working Paper)
- Council of the European Union, 2007: EU Strategy on Aid for Trade: Enhancing EU support for trade-related needs in developing countries - Conclusions of the Council and of the Representatives of the Governments of the Member States meeting within the Council
- Council of the European Union / European Commission, 2000: The European Community's Development Policy – Joint Statement by the Commission and the Council
- European Commission, 1995: European Community Support for Regional Economic Integration Efforts among Developing Countries, Communication from the Commission (COM (95) 219 final)
- European Commission, 2000: The European Community's Development Policy (COM (2000) 212 final)
- European Commission, 2002: Trade and Development – Assisting Developing Countries to benefit from Trade (COM(2002) 513 final)
- European Commission, 2003: European Community Co-operation with Third Countries: The Commission's approach to future support for the development of the Business sector (COM(2003) 267 final)
- European Commission, 2003: Guidelines for European Commission Trade Related Assistance
- European Commission, 2004: Agricultural Commodity Chains, Dependence and Poverty – A proposal for an EU Action Plan
- European Commission, 2004: Developing countries, international trade and sustainable development: the function of the Community's generalised system of preferences (GSP) for the ten-year period from 2006 to 2015 (COM(2004) 461 final)
- European Commission, 2005: Policy Coherence for Development - Accelerating progress towards attaining the Millennium Development Goals (COM(2005) 134 final)
- European Commission – EuropeAid, 2005: Institutional Assessment and Capacity Development: Why, what and how?
- European Commission, 2006: Making trade work for development
- European Commission, 2006: Joint evaluation of co-ordination of trade capacity building in partner countries – Final Report
- European Commission, 2006: The Joint Evaluation of General Budget Support 1994–2004, Burkina Faso, Malawi, Mozambique, Nicaragua, Rwanda, Uganda, Vietnam, Evaluation of General Budget Support: Synthesis Report IDD and Associates
- European Commission, 2006: Handbook for Trade Sustainability Impact Assessment
- European Commission, 2007: Note on Approach and Methods for the Evaluation of General Budget Support, IDD and Associates
- European Commission, 2007: Aid Delivery Methods - Guidelines on the Programming, Design & Management of General Budget Support

- European Commission, 2007: Towards an EU Aid for Trade strategy – the Commission's contribution (COM(2007) 163 final)
- European Commission, 2007: Making Trade work for Development – Aid for Trade: A Selection of Case Studies from around the World
- European Commission, 2008: Regional integration for development in ACP countries (COM(2008) 604 final)
- European Commission, 2008: Evaluation of Commission's external cooperation with partner countries through the organisations of the UN family – Final Report
- European Commission, 2008: Evaluation of Commission's aid delivery through development banks and EIB – Final Report
- European Commission, 2008: Evaluation of Commission Delivery through Civil Society Organisations – Final Report
- European Commission, 2008: Aid for Trade Monitoring Report 2008
- European Commission, 2008: Reforming Technical Cooperation and Project Implementation Units for External Aid provided by the European Commission – A Backbone Strategy
- European Commission, 2009: Policy Coherence for Development - Establishing the policy framework for a whole-of-the-Union approach (COM(2009) 458 final)
- European Commission, 2009: Trade Fact Sheet – Aid for Trade
- European Commission, 2009: Aid for Trade Monitoring Report 2009
- European Commission, 2010: Thematic global evaluation of European Commission support to the education sector in partner countries (including basic and secondary education) – Final Report
- European Commission, 2010: Aid for Trade Monitoring Report 2010
- European Commission, 2010: The public consultation on the future EU trade policy – final report
- European Commission, 2010: Trade and Private Sector Policy and Development
- European Commission, 2010: Commission staff working document accompanying the communication from the Commission to the European Parliament and the Council, Taking stock of the European Neighbourhood Policy (ENP) Implementation of the European Neighbourhood Policy in 2009, Progress Report Ukraine, p. 9, http://ec.europa.eu/world/enp/pdf/progress2010/sec10_524_en.pdf
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- European Commission, 2011: Toolkit on mainstreaming gender equality in European Commission development cooperation. Source: <http://ec.europa.eu/europeaid/sp/gender-toolkit/en/content/toolkit.htm>
- European Commission, 2011: European Commission interservice quality support group intranet web page is to be used on programming: (accessible within European Commission computer network only): <http://www.cc.cec/home/dgserv/dev/newsite/index.cfm?objectid=95E08920-E0CF-8351-805A6B642803AD28>
- European Commission, 2011: The overall methodology guidance for evaluations. Source: <http://ec.europa.eu/comm/europeaid/evaluation/methodology2/index>
- European Commission, 2011: European evaluation inventory. Source: http://ec.europa.eu/comm/dg/aidco/ms_ec_evaluations_inventory/evaluationslist.cfm?start=101
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Document List –Documents on Countries and Interventions

Country /Region	Intervention if applicable	Document-Title
ASEAN	-	Regional Strategy Paper 2005-2006
ASEAN	-	Country Strategy Paper 2007-2013
ASEAN	ASEAN Programme for Regional Integration Support II	Financing Agreement
ASEAN	ASEAN Programme for Regional Integration Support II	Technical and Administrative Provision

Country /Region	Intervention if applicable	Document-Title
ACP	-	ACP Regional Integration Support – Monitoring Regional Integration Field, Missions Overall Report 2010
ASEAN	ASEAN Programme for Regional Integration Support II	Mid-term Review September 2008
ASEAN	EU-ASEAN Statistical Capacity Building Programme	Financing Agreement
ASEAN	EU-ASEAN Statistical Capacity Building Programme	Technical and Administrative Provision
ASEAN	EU-ASEAN Statistical Capacity Building Programme	ROM report MR-127000.01
ASEAN	EU-ASEAN Statistical Capacity Building Programme	ROM report MR-127000.02
ASEAN	EU-ASEAN Project on the Protection of Intellectual Property Rights III	Financing Agreement
ASEAN	EU-ASEAN Project on the Protection of Intellectual Property Rights III	Technical and Administrative Provision
ASEAN	-	Evaluation of EC co-operation with ASEAN – Final Report June 2009
Bangladesh	-	Country Strategy Paper 2002-2006
Bangladesh	-	Country Strategy Paper 2007-2013
Bangladesh		National Indicative Programme 2003-2005
Bangladesh		National Indicative Programme 2007-2010
Bangladesh	EU- Bangladesh Small project Facility	Financing Agreement
Bangladesh	EU- Bangladesh Small project Facility	Technical and Administrative Provision
Bangladesh	EU- Bangladesh Small project Facility	Monitoring Report -November
Bangladesh	EU- Bangladesh Small project Facility	Monitoring Report -October 2007
Bangladesh	Bangladesh Trade Support Programme (Post Cancun)	Financing Agreement
Bangladesh	Bangladesh Trade Support Programme (Post Cancun)	Technical and Administrative Provision
Bangladesh	Bangladesh Trade Support Programme (Post Cancun)	Monitoring Report -December 2005
Bangladesh	Bangladesh Trade Support Programme (Post Cancun)	Monitoring Report -October 2006
Bangladesh	Bangladesh Trade Support Programme (Post Cancun)	Monitoring Report –May 2007
Bangladesh	Bangladesh Trade Support Programme (Post Cancun)	Progress-Report: Mid-Term-Review
Bangladesh	Bangladesh Quality Support Programme	Financing Agreement
Bangladesh	Bangladesh Quality Support Programme	Technical and Administrative Provision
Bangladesh	Bangladesh Quality Support Programme	Mid-term Evaluation - March 2008
Bangladesh	Bangladesh Quality Support Programme	Monitoring Report -October 2007
Bangladesh	Bangladesh Quality Support Programme	UNIDO – Status Report – November 2008
Bangladesh	Bangladesh Quality Support Programme	ICT – Progress Report – September 2008
Bangladesh	Trade Policy Support Programme	Financing Agreement
Bangladesh	Trade Policy Support Programme	Technical and Administrative Provision
Bangladesh	Trade Policy Support Programme	Action Fiche
Bangladesh	Better Work and Standards Programme	Financing Agreement

Country /Region	Intervention if applicable	Document-Title
Bangladesh	Better Work and Standards Programme	Technical and Administrative Provision
Bangladesh	Better Work and Standards Programme	Monitoring Report - November 2011
Bangladesh	-	External Assistance Monitoring Report 2006
Bangladesh	-	External Assistance Monitoring Report 2007
Bangladesh	-	External Assistance Monitoring Report 2008
Bangladesh	-	External Assistance Monitoring Report 2009
Bangladesh	-	External Assistance Monitoring Report 2010
Bangladesh		ILO Office in Bangladesh “Monitoring and Assessing Progress on Decent Work” (MAP)
Bolivia	-	Evaluation de la Coopération de la Commission Européenne avec la Bolivie, 2007
Burkina Faso	-	Country Strategy Paper 2001-2007
Burkina Faso	-	Country Strategy Paper 2008-2013
Burkina Faso	-	National Indicative Programme 2001-2007
Burkina Faso	-	National Indicative Programme 2008-2013
Burkina Faso	-	Evaluation de la coopération de l'Union européenne avec le Burkina Faso - Evaluation de niveau national, 2010
Cambodia	-	Country Strategy Paper 2004-2006
Cambodia	-	Country Strategy Paper 2007-2013
Cambodia	-	National Indicative Programme 2005-2006
Cambodia	-	National Indicative Programme 2007-2010
Cambodia		Report on the review of The ILO Decent Work Country Programme: Cambodia 2008–2010
Cameroon	-	Country Strategy Paper 2002-2007
Cameroon	-	Country Strategy Paper 2008-2013
Cameroon	-	National Indicative Programme 2002-2007
Cameroon	-	National Indicative Programme 2008-2013
Cameroon	Cameroun ATF 2007	Financing Agreement
Cameroon	Cameroun ATF 2007	Technical and Administrative Provision
Cameroon	Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)	Financing Agreement
Cameroon	Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)	Technical and Administrative Provision
Cameroon	Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)	Fiche d'identification
Cameroon	Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)	Monitoring Report – April 2009
Cameroon	Programme d'appui et de soutien à l'accord de partenariat économique (PASAPE)	Monitoring Report – April 2010
Cameroon	Programme d'appui au CICC	Technical and Administrative Provision
Cameroon	Programme d'appui au CICC	Financing Agreement
Cameroon	Programme d'appui au CICC	Monitoring Report – April 2009
Cameroon	Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD)	Financing Agreement
Cameroon	Programme d'Appui au Plan de Modernisation des	Technical and Administrative Provision

Country /Region	Intervention if applicable	Document-Title
	Douanes (PAPMOD)	
Cameroon	Programme d'Appui au Plan de Modernisation des Douanes (PAPMOD)	Fiche d'identification
Cameroon	-	External Assistance Monitoring Report - 2007
Cameroon	-	External Assistance Monitoring Report - 2008
Cameroon	-	External Assistance Monitoring Report - 2009
Cameroon	-	External Assistance Monitoring Report – 2010
CARIFORUM (CARICOM)	-	Regional Strategy Paper 2003-2007
CARIFORUM (CARICOM)	-	Country Strategy Paper 2008-2013
CARIFORUM (CARICOM)	-	Regional Indicative Programme 2003-2007
CARIFORUM (CARICOM)	-	Regional Indicative Programme 2008-2013
Central Africa	-	Evaluation de la strategie regionale de la CE en Afrique Centrale, 2006
Central African Republic	-	Evaluation de la coopération de l'Union Européenne avec la République centrafricaine - Evaluation de niveau national, 2009
Central America	-	Evaluación de la cooperación regional de la CE en América Central, 2007
China	-	Country Strategy Paper 2002-2006
China	-	Country Strategy Paper 2007-2013
China	-	National Indicative Programme 2005-2006
China	-	National Indicative Programme 2007-2010
China	EU-China Project on the Protection of Intellectual Property Rights (IPR II)	Financing Agreement
China	EU-China Project on the Protection of Intellectual Property Rights (IPR II)	Technical and Administrative Provision
China	EU-China Project on the Protection of Intellectual Property Rights (IPR II)	Monitoring Report 1
China	EU-China Project on the Protection of Intellectual Property Rights (IPR II)	Monitoring Report 2
China	Support to China's Sustainable Trade and Investment System	Financing Agreement
China	Support to China's Sustainable Trade and Investment System	Technical and Administrative Provision
China	Support to China's Sustainable Trade and Investment System	Monitoring Report 1
China	-	External Assistance Monitoring Report 2006
China	-	External Assistance Monitoring Report 2007
China	-	External Assistance Monitoring Report 2008
China	-	External Assistance Monitoring Report 2009
China	-	External Assistance Monitoring Report 2010
China	-	Country Level Evaluation of EC cooperation and partnership with the People's Republic of China, 2007
COMESA	-	Regional Strategy Paper 2002-2007
COMESA	-	Country Strategy Paper 2008-2013

Country /Region	Intervention if applicable	Document-Title
COMESA	-	Regional Indicative Programme 2002-2007
COMESA	-	Regional Indicative Programme 2008-2013
COMESA	Regional Integration Support Programme 2 (RISP2)	Financing Agreement
COMESA	Regional Integration Support Programme 2 (RISP2)	Technical and Administrative Provision
COMESA	Regional Integration Support Programme 2 (RISP2)	Identification Fiche
COMESA	Regional Integration Support Programme (RISP)	Contribution Agreement
COMESA	Regional Integration Support Mechanism (RISM)	Financing Agreement
COMESA	Regional Integration Support Mechanism (RISM)	Technical and Administrative Provision
COMESA	-	Evaluation of the Commission's support to the Region of Eastern and Southern Africa and the Indian Ocean Regional Level Evaluation – Final Report– December 2008
Comores	-	Union des Comores Évaluation de Niveau National – Rapport de synthèse, 2006
Côte d'Ivoire	-	Country Strategy Paper 2004-2006
Côte d'Ivoire	-	Country Strategy Paper 2007-2013
Côte d'Ivoire	-	National Indicative Programme 2004-2007
Côte d'Ivoire	-	National Indicative Programme 2008-2013
Côte d'Ivoire	Cadre Spécial d'Assistance en faveur des fournisseurs traditionnels de bananes- Côte d'ivoire-2007	Financing Agreement
Côte d'Ivoire	Cadre Spécial d'Assistance en faveur des fournisseurs traditionnels de bananes- Côte d'ivoire-2007	Technical and Administrative Provision
Côte d'Ivoire	Mesures d'accompagnement 2007 en faveur des pays signataires du protocole sucre - Côte d'ivoire	Financing Agreement
Côte d'Ivoire	Mesures d'accompagnement 2007 en faveur des pays signataires du protocole sucre - Côte d'ivoire	Technical and Administrative Provision
Côte d'Ivoire	Appui régional à l'intégration (PARI) – UEMOA phase 2	Financing Agreement
Côte d'Ivoire	Appui régional à l'intégration (PARI) – UEMOA phase 2	Technical and Administrative Provision
Côte d'Ivoire	Programme d'Appui au Commerce et à l'Intégration Régionale (PACIR)	Financing Agreement
Côte d'Ivoire	Programme d'Appui au Commerce et à l'Intégration Régionale (PACIR)	Technical and Administrative Provision
Côte d'Ivoire	-	External Assistance Monitoring Report 2004
Côte d'Ivoire	-	External Assistance Monitoring Report 2005
Côte d'Ivoire	-	External Assistance Monitoring Report 2006
Côte d'Ivoire	-	External Assistance Monitoring Report 2007
Côte d'Ivoire	-	External Assistance Monitoring Report 2008
Côte d'Ivoire	-	External Assistance Monitoring Report 2009
Côte d'Ivoire	-	External Assistance Monitoring Report 2010
Dominica	-	Country Strategy Paper 2002-2007
Dominica	-	Country Strategy Paper 2008-2013
Dominica	-	National Indicative Programme 2002-2007
Dominica	-	National Indicative Programme 2008-2013
Dominican	-	Evaluación a Nivel de País - República

Country /Region	Intervention if applicable	Document-Title
Republic		Dominicana, 2011
Egypt	-	Country Strategy Paper 2002-2006
Egypt	-	Country Strategy Paper 2007-2013
Egypt	-	National Indicative Programme 2007-2013
Egypt	Trade Enhancement Programme A (TEP A)	Financing Agreement
Egypt	Trade Enhancement Programme A (TEP A)	Technical and Administrative Provision
Egypt	Trade Enhancement Programme A (TEP A)	Mid-Term Evaluation – September 2006
Egypt	Trade Enhancement Programme A (TEP A)	Final Evaluation – January 2008
Egypt	Trade Enhancement Programme A (TEP A)	ROM report MR-010287.01
Egypt	Trade Enhancement Programme A (TEP A)	ROM report MR-010287.02
Egypt	Trade Enhancement Programme A (TEP A)	ROM report MR-010287.03
Egypt	Trade Enhancement Programme B, TEP-B	Financing Agreement
Egypt	Trade Enhancement Programme B, TEP-B	Technical and Administrative Provision
Egypt	Trade Enhancement Programme B, TEP-B	ROM report MR-102329.01
Egypt	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	Financing Agreement
Egypt	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	Technical and Administrative Provision
Egypt	Trade Enhancement Programme - Technical Assistance for Customs Reform (TEP-C)	Final Evaluation – January 2008
Egypt	Spinning and Weaving Sector Support	Financing Agreement
Egypt	Spinning and Weaving Sector Support	Technical and Administrative Provision
Egypt	Spinning and Weaving Sector Support	Final Evaluation – September 2009
Egypt	Spinning and Weaving Sector Support	ROM report MR-010460.01
Egypt	Spinning and Weaving Sector Support	ROM report MR-010460.02
Egypt	Research, development and innovation	Financing Agreement
Egypt	Research, development and innovation	Technical and Administrative Provision
Egypt	Research, development and innovation	ROM report MR-107262.01
Egypt	Research, development and innovation	ROM report MR-107262.02
Egypt	-	External Assistance Monitoring Report 2005
Egypt	-	External Assistance Monitoring Report 2006
Egypt	-	External Assistance Monitoring Report 2007
Egypt	-	External Assistance Monitoring Report 2008
Egypt	-	External Assistance Monitoring Report 2009
Egypt	-	External Assistance Monitoring Report 2010
Egypt	-	Country Strategy Evaluation of Egypt 2010
El Salvador	-	Country Strategy Paper 2002-2006
El Salvador	-	Country Strategy Paper 2008-2017
El Salvador	-	National Indicative Programme 2002-2006
El Salvador	-	National Indicative Programme 2007-2013
El Salvador	-	Evaluation of European Commission's Cooperation with El Salvador – Country Level Evaluation, 2010
Ghana	-	Country Strategy Paper 2002-2007

Country /Region	Intervention if applicable	Document-Title
Ghana	-	Country Strategy Paper 2008-2013
Ghana	-	National Indicative Programme 2002-2007
Ghana	-	National Indicative Programme 2008-2013
Ghana	Private Sector and Trade Enabling Programme (PSTEP)	Financing Agreement
Ghana	Private Sector and Trade Enabling Programme (PSTEP)	Technical and Administrative Provision
Ghana	Private Sector and Trade Enabling Programme (PSTEP)	Monitoring Report, Synopsis
Ghana	Ghana Cocoa Sector Support Programme - Phase II	Financing Agreement
Ghana	Ghana Cocoa Sector Support Programme - Phase II	Technical and Administrative Provision
Ghana	Ghana Cocoa Sector Support Programme - Phase II	Mid-Term Evaluation
Ghana	Ghana Cocoa Sector Support Programme - Phase II	Background Conclusion Sheet 2009
Ghana	Ghana Cocoa Sector Support Programme - Phase II	Monitoring Report 2010
Ghana	-	External Assistance Monitoring Report 2007
Ghana	-	External Assistance Monitoring Report 2008
Ghana	-	External Assistance Monitoring Report 2009
Ghana	-	External Assistance Monitoring Report 2010
Global	-	Evaluation of visibility of EU external action, June 2012
Global	-	FLEGT 6th Annual Coordination Meeting, Final Report, 2011
Global: Trade.Com	-	Final Evaluation of the Trade.Com Facility – Final Evaluation Report, 2010
Guyana	-	Country Strategy Paper 2002-2007
Guyana	-	Country Strategy Paper 2008-2013
Guyana	-	National Indicative Programme 2002-2007
Guyana	-	National Indicative Programme 2008-2013
India	-	Country Strategy Paper 2002-2006
India	-	Country Strategy Paper 2007-2013
India	-	National Indicative Programme 2002-2006
India	-	National Indicative Programme 2007-2010
India	-	Evaluation of the European Commission's support to the Republic of India, 2007
Jordan	-	Country Strategy Paper 2002-2006
Jordan	-	Country Strategy Paper 2007-2013
Jordan	-	National Indicative Programme 2005-2006
Jordan	-	National Indicative Programme 2007-2010
Jordan	-	Evaluation of the European Commission's support to the Hashemite Kingdom of Jordan– Overall assessment, 2007
Malaysia	-	Evaluation of the European Commission's Cooperation with Malaysia, 2009

Country /Region	Intervention if applicable	Document-Title
MEDA	-	Evaluation of the Council Regulation N° 2698/2000 (MEDA II) and its implementation, 2009
Moldova	-	European Commission's support to the Republic of Moldova – Country level Evaluation, 2007
Mozambique	-	Country Strategy Paper 2001-2007
Mozambique	-	Country Strategy Paper 2008-2013
Mozambique	-	National Indicative Programme 2001-2007
Mozambique	-	National Indicative Programme 2008-2013
Namibia	-	Evaluation of the European Commission's Cooperation with Namibia –Country Level Evaluation, 2009
Nigeria	-	Country Level Evaluation Nigeria, 2010
Pacific	-	Evaluation of the Commission's support to the ACP Pacific region, 2007
Paraguay	-	Country Strategy Paper 2001-2006
Paraguay	-	Country Strategy Paper 2007-2013
Paraguay	-	National Indicative Programme 2001-2006
Paraguay	-	National Indicative Programme 2007-2013
Paraguay	Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)	Convenio de Financiación
Paraguay	Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)	Disposiciones Técnicas y Administrativas (DTA's)
Paraguay	Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)	Evaluación de Medio Término del Proyecto de Fortalecimiento de la Competitividad del Sector Exportador Paraguayo; Abril 2008
Paraguay	Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)	Monitoring Report 2006
Paraguay	Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)	Monitoring Report 2007
Paraguay	Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)	Monitoring Report 2009
Paraguay	Fortalecimiento de la Competitividad del Sector Exportador Paraguayo (FOCOSEP)	Monitoring Report 2011
Paraguay	-	External Assistance Monitoring Report 2007
Paraguay	-	External Assistance Monitoring Report 2008
Paraguay	-	External Assistance Monitoring Report 2009
Paraguay	-	External Assistance Monitoring Report 2010
Philippines	-	Evaluation of the European Commission's Cooperation with the Philippines, 2011
Russian Federation	-	Country Strategy Paper 2002-2006
Russian Federation	-	Country Strategy Paper 2007-2013
Russian Federation	-	National Indicative Programme 2004-2006
Russian Federation	-	National Indicative Programme 2007-2010
SADC	-	Evaluation of the Commission's support to Southern African Development Community –

Country /Region	Intervention if applicable	Document-Title
		SADC Regional Level Evaluation, 2007
Senegal	-	Country Strategy Paper 2002-2007
Senegal	-	Country Strategy Paper 2008-2013
Senegal	-	National Indicative Programme 2002-2007
Senegal	-	National Indicative Programme 2008-2013
Senegal	-	Évaluation conjointe de la coopération de la Commission Européenne et de la coopération de l'Espagne avec le Senegal – Évaluation de Niveau National, 2010
South Africa	-	Country Strategy Paper 2003-2005
South Africa	-	Country Strategy Paper 2007-2013
South Africa	-	National Indicative Programme 2003-2005
South Africa	-	National Indicative Programme 2007-2013
TACIS	-	Evaluation of Council Regulation 99/ 2000 (TACIS) and its Implementation, 2006
Tanzania	-	Country Strategy Paper 2001-2007
Tanzania	-	Country Strategy Paper 2008-2013
Tanzania	-	National Indicative Programme 2001-2007
Tanzania	-	National Indicative Programme 2008-2013
Tanzania	-	Evaluation of the European Commission`s support to the United Republic of Tanzania, 2006
Thailand	-	Evaluation of the European Commission`s Cooperation with Thailand, 2009
Tunisia	-	Country Strategy Paper 2002-2006
Tunisia	-	Country Strategy Paper 2007-2013
Tunisia	-	National Indicative Programme 2005-2006
Tunisia	-	National Indicative Programme 2007-2010
UEMOA	-	Regional Strategy Paper 2002-2007
UEMOA	-	Country Strategy Paper 2008-2013
UEMOA	-	Regional Indicative Programme 2002-2007
UEMOA	-	Regional Indicative Programme 2008-2013
Uganda	-	Country Level Evaluation, 2009
Ukraine	-	Country Strategy Paper 2002-2006
Ukraine	-	Country Strategy Paper 2007-2013
Ukraine	-	National Indicative Programme 2004-2006
Ukraine	-	National Indicative Programme 2007-2010
Ukraine	Twinning and ENP Support Technical assistance	Financing Agreement
Ukraine	Twinning and ENP Support Technical assistance	Technical and Administrative Provision
Ukraine	Promoting mutual trade by removing technical barriers to trade between Ukraine and the European Union	Financing Agreement
Ukraine	Promoting mutual trade by removing technical barriers to trade between Ukraine and the European Union	Technical and Administrative Provision
Ukraine	TACIS 2004 Ukraine Action Programme	Technical and Administrative Provision
Ukraine	TACIS 2004 Ukraine Action Programme	Financing Agreement

Country /Region	Intervention if applicable	Document-Title
Ukraine	TACIS 2004 Ukraine Action Programme	Monitoring Report
Ukraine	TACIS 2005 Ukraine Action Programme	Technical and Administrative Provision
Ukraine	TACIS 2005 Ukraine Action Programme	Financing Agreement
Ukraine	TACIS 2006 Ukraine Action Programme	Technical and Administrative Provision
Ukraine	TACIS 2006 Ukraine Action Programme	Financing Agreement
Ukraine	-	External Assistance Monitoring Report 2005
Ukraine	-	External Assistance Monitoring Report 2006
Ukraine	-	External Assistance Monitoring Report 2007
Ukraine	-	External Assistance Monitoring Report 2008
Ukraine	-	External Assistance Monitoring Report 2009
Ukraine	-	External Assistance Monitoring Report 2010
Ukraine	-	Country Strategy Evaluation 2010
Vietnam	-	Country Strategy Paper 2002-2006
Vietnam	-	Country Strategy Paper 2007-2013
Vietnam	-	National Indicative Programme 2005-2006
Vietnam	-	National Indicative Programme 2007-2010
Vietnam	MUTRAP II - Multilateral Trade Assistance Project	Progress Report 2005
Vietnam	MUTRAP II - Multilateral Trade Assistance Project	Progress Report 2006
Vietnam	MUTRAP II - Multilateral Trade Assistance Project	Progress Report 2007
Vietnam	MUTRAP II - Multilateral Trade Assistance Project	Final Technical Financial Report
Vietnam	MUTRAP II - Multilateral Trade Assistance Project	Final Project Report
Vietnam	MUTRAP II - Multilateral Trade Assistance Project	Final Evaluation of Multilateral Trade Assistance Project Vietnam II, 2008
Vietnam	Multilateral Trade Assistance Project (MUTRAP 3)	Technical and Administrative Provision
Vietnam	-	ROM-report MR-125600.01
Vietnam	-	ROM-report MR-125600.02
Vietnam	-	Mid-term review
Vietnam	-	Final project report
Vietnam	-	External Assistance Monitoring Report 2006
Vietnam	-	External Assistance Monitoring Report 2007
Vietnam	-	External Assistance Monitoring Report 2008
Vietnam	-	External Assistance Monitoring Report 2009
Vietnam	-	Country Strategy Evaluation
West Africa	-	Evaluation de la Strategie Regionale de la CE en Afrique de l'Ouest, 2008
Zambia	-	Country Strategy Paper 2001-2007
Zambia	-	Country Strategy Paper 2008-2013
Zambia	-	National Indicative Programme 2001-2007
Zambia	-	National Indicative Programme 2008-2013
Zambia	Export development programme II	Financing Agreement
Zambia	Export development programme II	Technical and Administrative Provision
Zambia	Export development programme II	Final Evaluation
Zambia	Export development programme II	Monitoring Report + Synopsis 04

Country /Region	Intervention if applicable	Document-Title
Zambia	Export development programme II	Monitoring Report + Synopsis 05
Zambia	Export development programme II	Monitoring Report + Synopsis 06
Zambia	Export development programme II	Mid-term review
Zambia	Export development programme II	Final project report
Zambia	Capacity Building for Private Sector Development	Financing Agreement
Zambia	Capacity Building for Private Sector Development	Technical and Administrative Provision
Zambia	Capacity Building for Private Sector Development	Monitoring Report + Synopsis 07
Zambia	Capacity Building for Private Sector Development	Monitoring Report + Synopsis 09
Zambia	Capacity Building for Private Sector Development	External Assistance Monitoring Report 2004
Zambia	Capacity Building for Private Sector Development	External Assistance Monitoring Report 2005
Zambia	Capacity Building for Private Sector Development	External Assistance Monitoring Report 2006
Zambia	Capacity Building for Private Sector Development	External Assistance Monitoring Report 2007
Zambia	Capacity Building for Private Sector Development	External Assistance Monitoring Report 2008
Zambia	Capacity Building for Private Sector Development	External Assistance Monitoring Report 2009
Zambia	Capacity Building for Private Sector Development	External Assistance Monitoring Report 2010

Annex 6

ASEAN – region

Name	Position / Entity
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Annex 7

**Thematic Global Evaluation of European Commission's
Support to Trade-related Assistance in Third Countries**

**Questionnaire to the EU Delegations
August 2012**

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1. Introduction

The questionnaire to the EU Delegations (EUD) is a tool helping to highlight some trends related to EC support to trade related assistance (TRA) in third countries. It is an online survey which was sent to all EUDs in the desk phase sample. The EUDs were asked to assign relevant staff with the answering of the questionnaire. Table 1 depicts which EUDs answered the survey.

Table 31 *Overview of the EU Delegations covered*

Country	Region	Answer
Bangladesh	Asia	Completed
Burkina Faso	Africa	Completed
Cambodia	Asia	Completed
Cameroon	Africa	Completed
China	Asia	Completed
Egypt	Africa/ ENP	Completed
El Salvador	Latin America	Completed
Ghana	Africa	Completed
Guyana	Latin America	Completed
India	Asia	Completed
Mozambique	Africa	Completed
Paraguay	Latin America	Completed
Russian Federation	Asia	Completed
Tanzania	Africa	Completed
Tunisia	Africa/ ENP	Completed
Zambia	Africa	Completed

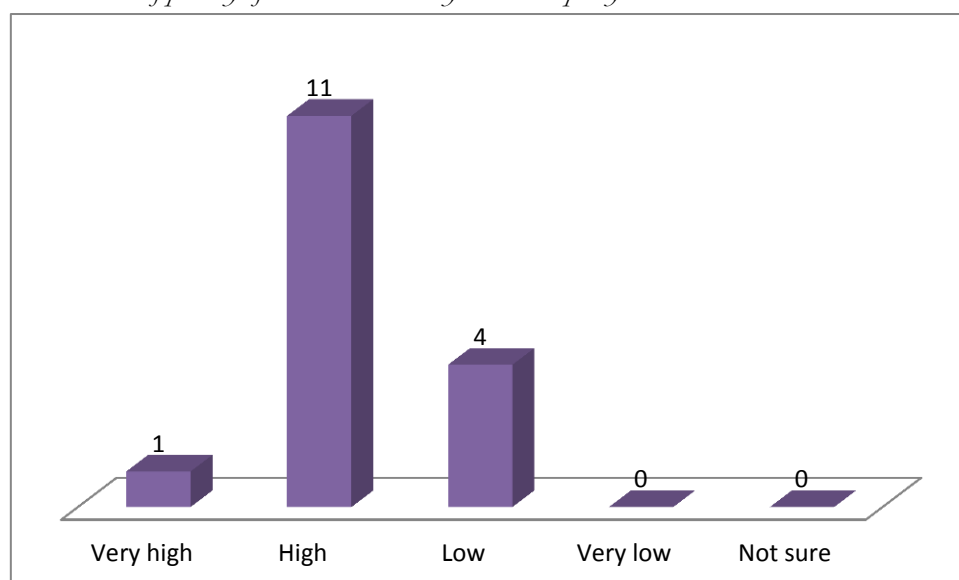
2. Main findings

Please notice that there is a strong rotation of staff members in the EUDs in the different countries. This seems to be the reason why some Delegations were not able to answer the questions of this survey concerning the time period of the first programming cycle, 2004 to 2006, and the answer "Not sure" was chosen quite frequently for questions regarding this first period.

2.1.1. How would you assess the priority of trade in the country's national policy?

As can be seen in the graph below, trade is a priority in a majority of the countries. Twelve of sixteen asked Delegations report an increase in the priority given to trade by the national government. Nevertheless several EUDs indicate that there are objectives regarding priority setting and addressing trade such as lacks of capacity, low economic growth, low productivity, very limited range in exportable supply, "soft elements" of change are often overlooked etc.

Figure 4: Assessment of priority of trade in the country's national policy



- Around 85% of the respondents assess the priority of trade as high in their country's national policy

Table 32: Please provide reasons for your answer:

Delegations	Comments
China (High)	External trade is a major contributor to the GDP growth of China over the last 3 decades, but its place in the political agenda has tended to decrease recently.
Guyana (Low)	National trade strategy hasn't been updated since 2003 even though the country signed EPA agreement ministries dealing with trade issues are lacking capacity.
India (High)	India is highly concerned about its competitiveness in the global scene and its trade balance.
Zambia (High)	Trade is integral part of the national development strategy under the Sixth National Development Plan - SNDP. It has been an integral part since the Fifth NDP.

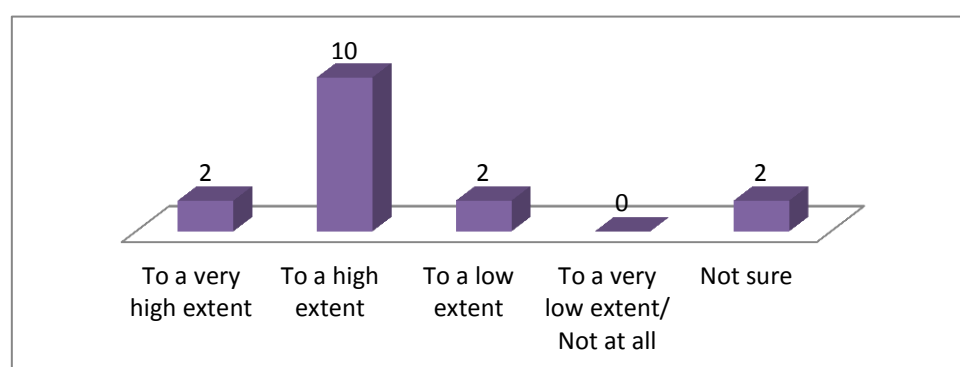
Bangladesh (High)	Because the country's national policy has given sufficient attention to the trade sector.
Cambodia (Very High)	Willingness to become MIC soon.
Ghana (High)	Trade is partly mainstreamed in the national development plan and also addressed in the annual budget and various sectoral strategies.
Paraguay (High)	Although trade is a core business in Paraguay, there is no national coordinated strategy for trade and commerce. The National Export Plan 2004-2008 was written with the help of JICA and launched. In 2005, the "Red de Inversiones y Exportaciones" - REDIEX - was established as an agency of the Ministry of Industry and Trade to implement this National Export Plan. REDIEX coordinates its actions with all stakeholders involved: Government, business, universities and civil society organizations. The end of the Plan coinciding with the election of a new Government was never renewed.
Mozambique (Low)	The priority is low to medium during the evaluation period since Mozambique is a country with a lot of challenges such as health, infrastructure, education etc. While not as high on the agenda in the 2004-2010 period, it is given increasingly importance (more in general wider AfT) given the fact that Mozambique's economy in the last few years is growing with the discovery of natural resources and increasing foreign direct investments which generate increased resources and more opportunities for increased trade
Tunisia (High)	Trade with the EU has been a top priority since the signature of the Association Agreement in 1998. FTA (industrial products) was achieved in 2008.
El Salvador (High)	In a context of low economic growth, productivity, very limited range in exportable supply, etc. (El Salvador is currently the laggard in the Central American region, in terms of economic growth, attraction of FDI, among other indicators), the country is certainly looking to strengthen national policies related to trade. A wide array of policies has taken form or has been updated in order to tackle this issue: a free trade zone act an international services act export reactivation act co-op partnerships act an industrial policy a science, technology and innovation policy national quality policy (with EU involvement), etc. Also, a much-publicized Partnership for Growth agreed upon between the Governments of El Salvador and the United States has shown Salvadoran interest in both addressing the issues of low economic growth and violence, while also procuring an environment in which trade and related issues can be favoured.
Tanzania (Low)	Tanzania's development strategies (MKUKUTA/5YDP) increasingly recognise the potential offered by regional integration and trade as sources of growth. However, these core themes have been translated into to the intervention logics of the same documents in a very limited manner. While a lot of hard infrastructure investments are foreseen in the 5YDP, the "soft elements"" of change are often overlooked. Trade related assistance does not feature as an area for which support is sought for, or area of priority. DTIS was carried out in 2005; the diagnostics have been translated into

	Tanzania Trade Integration Strategy and further to a draft Trade Support Programme. However, Government lacks a champion to drive the initiatives, and it continues to approach TRA challenges in a haphazard manner, despite continued DP attempts to move towards a more harmonised and co-ordinated mechanisms.
Russian Federation (High)	The recent agreement of Russia to join WTO.
Burkina Faso (Low)	Apart from Gold and cotton the country has no substantial export potential. What has been developed as "trade policy" in the past years is indeed focussing on reinforcing alternative sectors, like crafts or fruit, but the volume will remain limited. Infrastructure development remains however a priority, in particular in terms of regional trade.
Cameroon (High)	La stratégie du gouvernement pour augmenter la croissance et réduire la pauvreté mentionne des objectifs à atteindre en termes de promotion du commerce intérieur et extérieur, notamment la diversification des exportations. Le gouvernement souhaite également renforcer le commerce intra régional qui est aujourd'hui très faible.
Egypt (High)	EU-Egypt AA provisions and perspective of free trade area + Egypt's participation in other trade agreements High dependence on trade.

2.1.2. To what degree have contextual factors existing at the time of the TRA programming and formulation exercises been taken into account (e.g. capacity levels, political and technical feasibility)?

The majority of the EUDs considers the degree to what contextual factors have been taken into account during the programming and formulation exercises as "Very high" or "High". However the Delegations of Bangladesh and Tanzania mention that in their countries the extent was low and contextual factors were not paid proper attention to.

Figure 5: Degree to what contextual factors have been taken into account



- 75% of the respondents confirm that contextual factors have been taken into account to a high (or very high) extent.

Table 33: If appropriate, please outline which factors have been analysed?

Delegation	Comments
India (very high)	Contextual factors are the basis of the programming and formulation of the TRA.

Zambia (high)	For the Private Sector Development programme all of the above factors (e.g. low capacity, political and technical feasibility) have been taken into account.
Bangladesh (low)	TRA contextual factors seem just mentioned in the national strategy but without giving proper priority.
Paraguay (high)	Technical ministries involved have always played an important role in the identification of new programmes. Budget support has never been possible because of lack of sectorial strategies.
Mozambique (very high)	During the formulation of the TRA support, the diagnostic trade integration study (DTIS) elaborated in 2003 and adopted in 2004 was used (which is describing the contextual factors linked to trade) together with in depth consultations.
Tunisia (high)	Main TRA programmes have taken into account these factors.
Tanzania (low)	The above mentioned DTIS/TTIS/TSDP have all be to large extent donor pushed initiatives, with little dedicated leadership/drive from government. TRA programming and formulation exercises have built on the DTIS/TTIS momentum but capacity levels in the government to lead on implementation of the TRA initiatives have remained low, and commitment to engage limited.
Cameroon (high)	Dans tout exercice d'identification et de formulation, les aspects liés à la capacité d'absorption ainsi qu'à la faisabilité technique et politique sont automatiquement pris en compte.
Egypt (high)	National trade priorities capacity of government and other counterparts to manage and/or deliver on specific programme components economic and political stability.

2.1.3. To what extent have the private sector and its representatives been involved in Commission's policy dialogues related to trade policy formulation?

Thirteen out of sixteen EUDs assess the extent of the involvement of the private sector and its representatives in the Commission's policy dialogues related to trade policy formulation as "Large" or "Partially". Just two Delegations assess it as "Limited". Especially the Delegation of Cambodia reports about understaffed operation sections, Mozambique reports about the problem that the provincial private sector is not systematically heard and the EUD of Tanzania reports that the capacity of the private sector representatives to engage in the projects remains limited.

Figure 6: Extent of involvement of private sector and its representatives

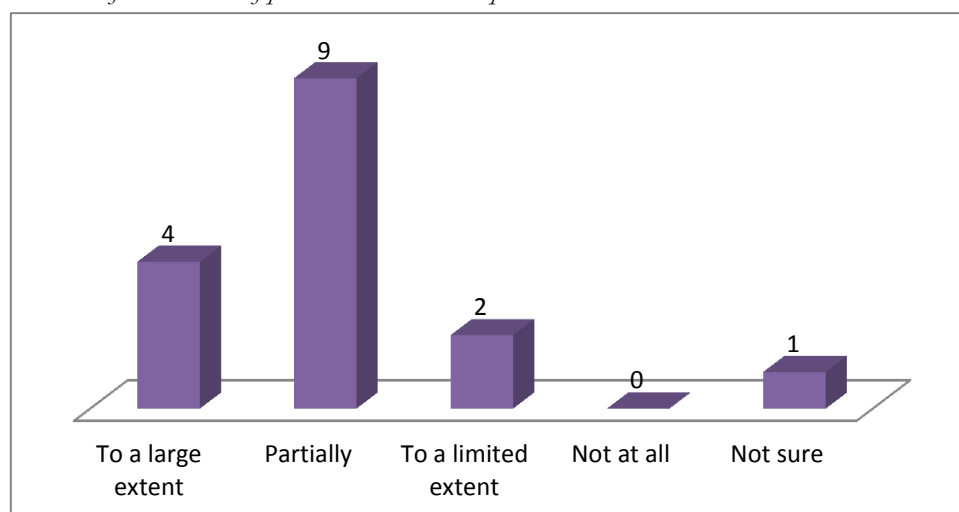


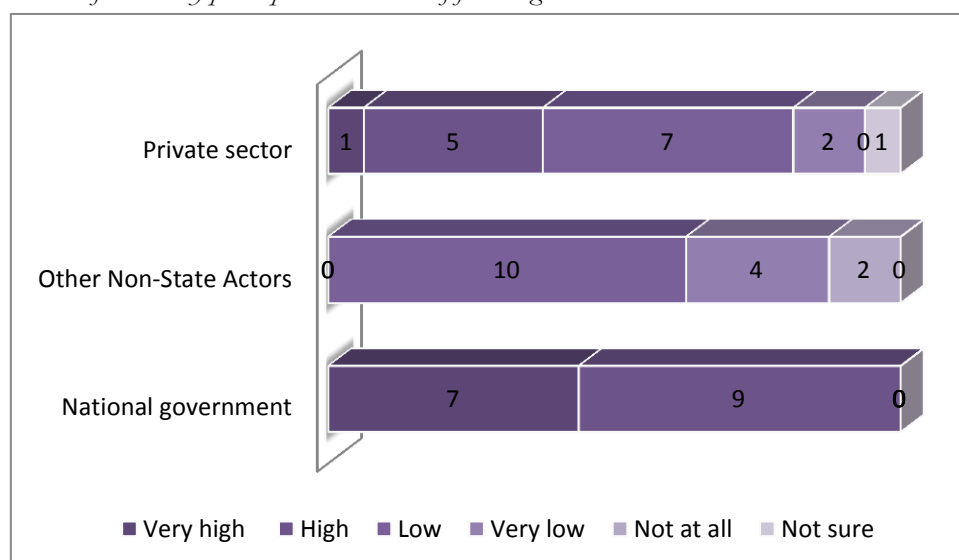
Table 34: Please add comments, if relevant:

Delegation	Comments
India (large extent)	The private sector has been consulted mainly through the main industry confederations.
Zambia (partially)	Involvement has been mainly through the intermediary organizations such as the Zambian Chamber of Commerce and Industry.
Cambodia (partially)	No Trade section in Cambodia understaffed Operations Section.
Paraguay (large extent)	Private sector was participating in one of the components of the "Fortalecimiento de Competitividad del Sector Exportador Paraguayo (FOCOSEP)" project (2006-2009). Public-private coordination mechanisms per cluster have been put in place. The "Unión de Industriales de Paraguay (UIP)" was actively involved in the identification and formulation of the "Apoyo a la Integración Económica del Paraguay (AIEP)" project. The third project related to TRA is "Apoyo a la Integración Económica del Sector Rural Paraguayo (AIESRP)". Public-private coordination mechanisms put in place by the Ministry of Agriculture and Livestock around the sectors of milk, chicken and pigs were involved in the identification phase of the project.
Mozambique (partially)	The Federation of Business Association is involved (which represents the business associations and private sector in the country) is systematically consulted but of course this federation is central and so the provincial private sector is not systematically heard.
Tanzania (partially)	Tanzania has a very highly development aid co-ordination structures and the Commission has held its policy dialogue related to trade policy formulation in this context (jointly with other active DPs). Private sector representatives are engaged in this dialogue process at least in a notional

	manner - however, capacity of the private sector representatives to engage remain limited, and representatively of the private sector bodies also leaves room for improvement.
Burkina Faso (partially)	In particular in view of private sector support programmes (about to be launched).
Cameroon (partially)	Lors de l'élaboration de la stratégie du Ministère du Commerce, certains représentants d'organisations du secteur privé ont été consultés et associés. Toutefois, il faut préciser que le secteur privé est très disparate et qu'on ne peut pas considérer qu'une partie assez représentative ait été associée.
Egypt (partially)	Through private sector/business representatives - e.g. chambers of commerce, exporters councils, industrial councils.... - more than PS directly.

2.1.4. How would you rate the level of in-country participation in TRA programming, formulation and identification for the following categories of stakeholders?

Figure 7: Level of in-country participation in TRA of following stakeholders



- In-country participation in TRA has been highest for national governments, followed by the private sector. Other non-state actor have only participated to a low (10 countries) or very low extent (4 countries) or even not at all (2 countries).

Table 35: Please add comments, if relevant:

Delegation	Comments

	National Government	Other Non-state actors	Private sector
India (high, low, high)	The national Government has checked and verified each step of the programming and formulation to ensure, on their side, consistency with national policy		The private sector has expressed a high interest in TRA Activities, even though their contribution has to be at least formally channelled through the central government
Zambia (high, low, low)	The Ministry of Commerce & Industry was closely involved in formulation and identification not so much in programming.		
Ghana (high, low, high)	The Ministry of Trade and Industry, which has developed a Trade Policy that is being implemented through a detailed Trade Sector Support Programme, has a coordinating role but implementation is overseen by each relevant ministry/department separately.		During the formulation of the Trade Policy and Private Sector Development Strategy, the private sector (business and consumer associations) has been involved. The private sector is also part of the oversight committee for the implementation of the Private Sector Development Strategy, which has a strong trade component.
Paraguay (high, low, high)	The Technical Secretariat of Planification (STP) was actively involved in the coordination of the activities implemented by different public entities on the FOCOSEP project until 2009. The Ministry for Industry and Commerce (MIC) was active during the identification of the AIEP project in 2006-2007. However, after the 2008 elections, the whole Ministry changed and large parts of the institutional memory got lost. This change influenced the AIEP project as it suffered major delays to get approved and to start its implementation. The Ministry of Agriculture and Livestock participated actively in the identification of the AIESRP project in 2009-2010.	Not involved in the dialogue or in the implementation, except agricultural cooperatives.	Government makes genuine efforts to include private sector in project preparation. For example, through REDIEX. However, in the implementation phase, public-private cooperation is weak.

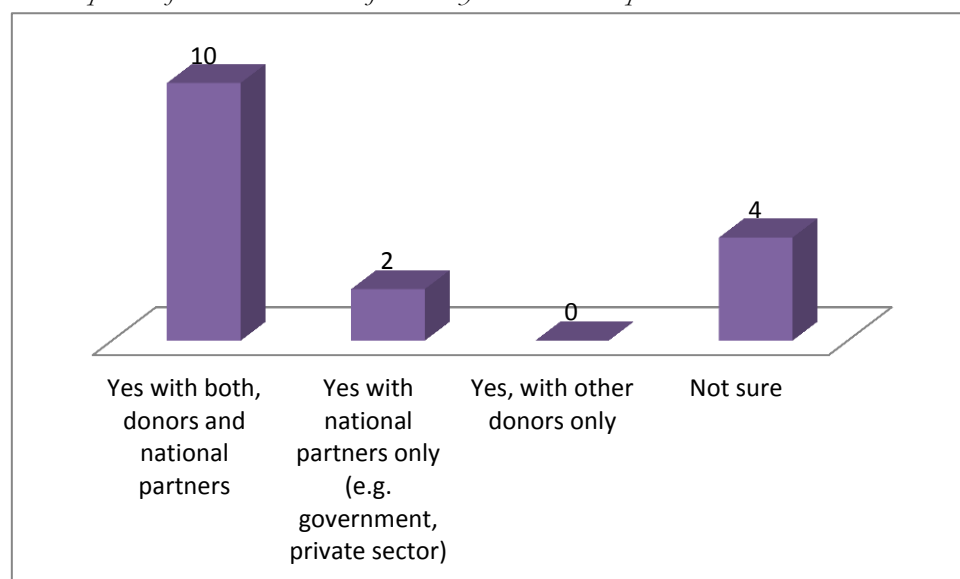
Mozambique (high, low, high)	High involvement but problem of human resources capacity and availability		Not high but rather medium (option to click was not available). Consultation mechanisms with private sector have to be consolidated. Private sector as central level is participating but not at provincial level (and in provinces the challenges are sometimes different). This is getting better in the last years with better public private dialogue
Tunisia (very high, not at all, low)	Under Ben Ali's regime	Under Ben Ali's regime	Under Ben Ali's regime
Tanzania (high, very low, low)	EDF programming being de facto decentralised, the TRA programme formulation and identification is led by the Government, and the programmes build on the trade diagnostics work conducted for the government. However, the limited capacity among government stakeholders has had an impact on the quality of the engagement and participation.	As above, other NSA's have possibly even less engaged than private sector.	Government is general has not in the past been very open to private sector consultations on programming processes in areas of trade. This is slowly changing, but in programming phase of the current TRA initiatives, private sector engagement has been limited.
Burkina Faso (high, low, high)	In particular as regards infrastructure.		In particular as regards private sector projects.
Cameroon (very high, low, low)	Dans tout exercice de programmation, d'identification et de formulation, le gouvernement est fortement impliqué.	La société civile est parfois associé, notamment lorsque les projets concernent des mesures considérées comme accompagnant la mise en œuvre d'un APE mais ce n'est pas systématique, d'autant plus que durant la période concernée, la société civile était peu structurée et très	Pour les projets durant la période concerné (2004/2010), le secteur privé n'a pas été assez associé lors de ces exercices

		dispersée.	
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2.1.5. Since 2004, has the Commission participated in joint analytical/diagnostic work with national partners and/or other donors in your country?

Concerning the Commission's analytical/ diagnostic work a majority of the Delegations (ten out of sixteen) states that there was cooperation with donors and national partners. Only two EUDs mention that there was just cooperation with national partners, and none states that there is only joint work with other donors. India reports that they did not participate in joint activities.

Figure 8: Participation of the Commission in joint analytical work with partners



- The majority states that the Commission has worked with both donors and national partners since 2004.

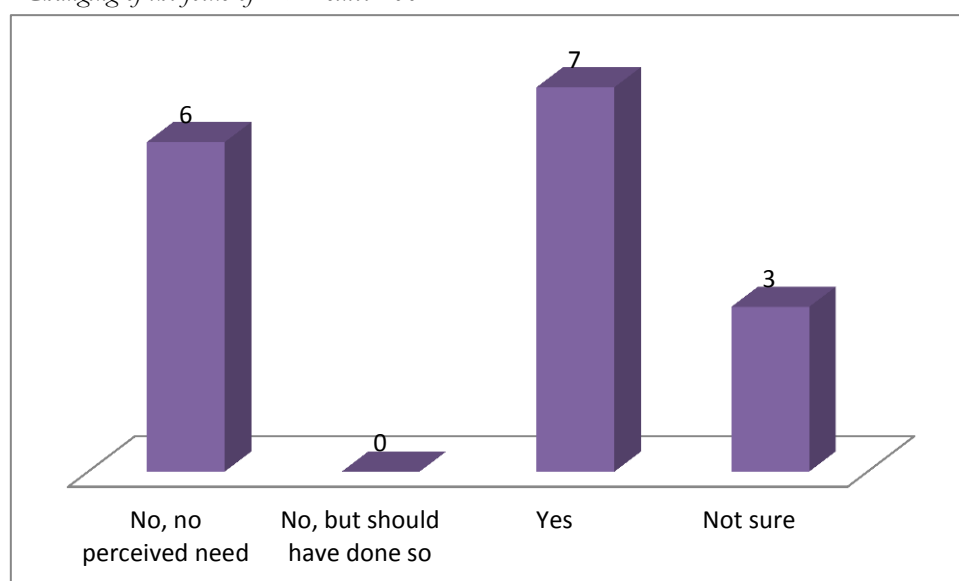
Table 36: Please add comments, if relevant:

Delegation	Comments
India (not sure)	India does not participate to joint initiatives of this kind.
Zambia (yes, with both)	Mainly through the then Private Sector Development and Reform Programme.
Bangladesh (yes, with both)	Yes but to a low extent.
Ghana (not sure)	Ghana has developed its Trade Policy, based on a comprehensive trade needs assessment, in 2005. To my knowledge the Commission did not participate in that process.
Mozambique (yes, with national partner only)	Joint analytical work with national partners but also very close coordination with Member States who are active in trade related assistance.
Tunisia (yes with both)	In the framework of joint budget support programmes, such as « le programme d'appui à l'intégration, les facilités d'ajustement structurel ».
Tanzania	DTIS, as mentioned above.

(yes, with both)	
Burkina Faso (yes, with both)	With a focus on infrastructure.
Cameroon (yes with both)	Les PTFs, le secteur privé et la société civile ont été associés à l'élaboration de la dernière version du document de stratégie pour la croissance et l'emploi en 2009.

2.1.6. Has the focus of TRA changed over time since 2004?

Figure 9: Changing of the focus of TRA since 2004



- Seven of sixteen EUDs state that the focus of TRA has changed since 2004, while no EUD states that there should have been a change in focus which did not happen (“No, but should have done so”).

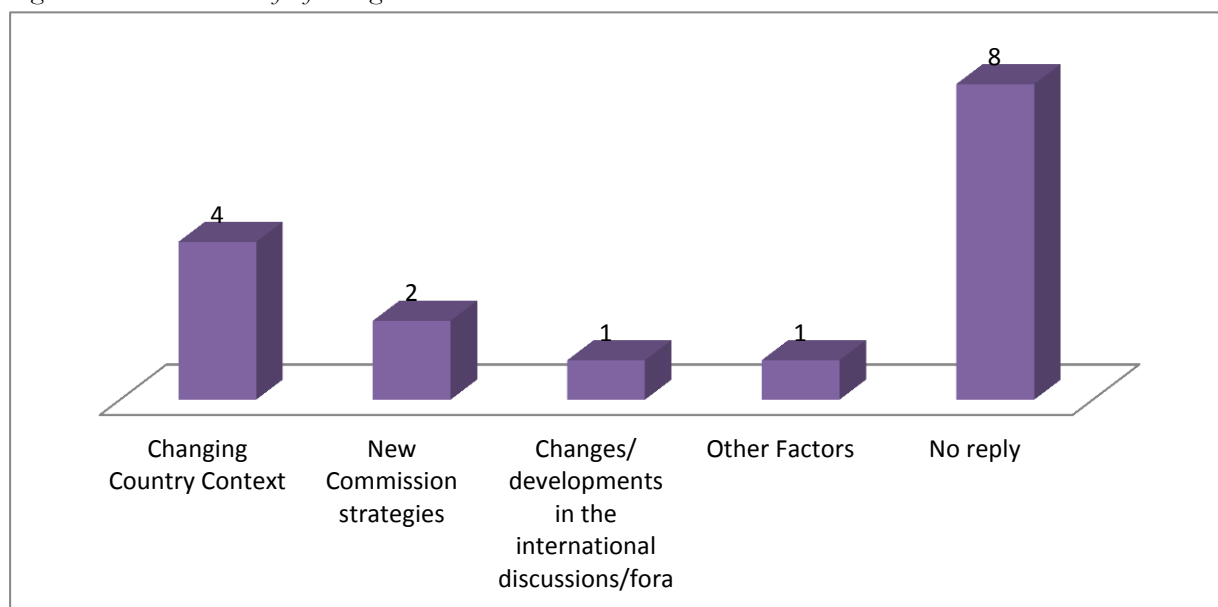
Table 37: Please explain:

Delegation	Comments
China (no perceived need)	The areas of intervention have remained the same, but the segments inside these areas have evolved in order to contribute more closely to the regulatory dialogues.
Ghana (no perceived need)	The Trade Policy formulated in 2005 provides broad guidelines for efficient regulation of the trade sector, as well as carefully designed interventions to overcome infrastructure bottlenecks, and the effective use of policy instruments to facilitate growth of the productive sectors. All continue to be relevant today.
Tunisia (yes)	According to the priorities of the Government and the implementation of EU/Tunisia Association agreement, Action Plan.
El Salvador (yes)	There has been a change in focus as the approach has progressed from a mainly medium and small enterprise centred approach to one involving governmental support towards a quality policy.
Tanzania (yes)	Increased focus in TRA has been given to regional integration, in particular in support of Tanzania's commitments vis-a-vis its EAC counterparts.

2.2. TRA Refocusing

2.2.1. If you answered “Yes” in the previous question, what has motivated such refocusing?

Figure 10: Motivation of refocusing



- Remark: multiple answers were possible. Not all EUDs that answered “yes” in the previous questions answered this question as well.
- The motivation for a refocusing was in most cases due to a changing country context followed by new commission strategies.

Table 38: Please explain the type of development and the reasons for such refocusing:

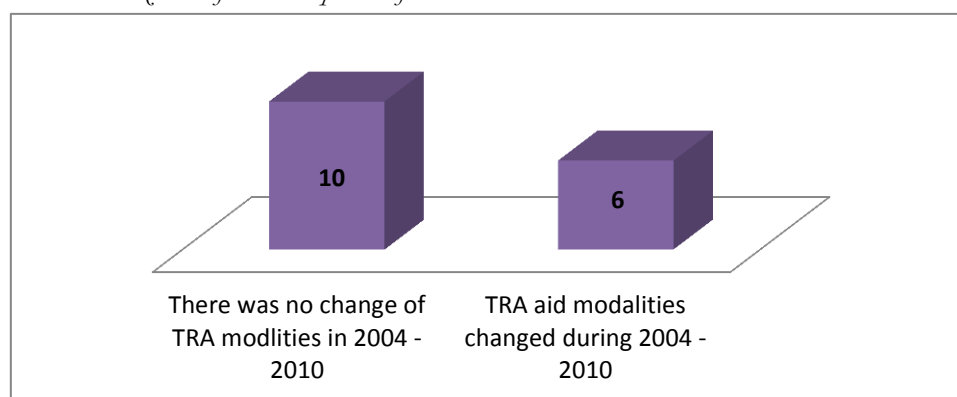
Delegations	Comments	
	New Commission strategies	Other factors
India	More fields of interventions have been added (e.g. competition policy).	Taking into account adjustment of priorities and learning lessons from previous interventions, in terms of implementation methods.
	Changing country context	
Mozambique	Only refocusing regarding the support for EPA negotiations but not regarding all TRA. The interim EPA was signed in 2009. Assistance for EPA negotiations was provided from 2005 to 2007 under the EPA facility to prepare Mozambique for those negotiations.	
	Changing country context	New Commission strategies
Tunisia	TRA has evolved accordingly to the Government priorities and EU/Tunisia relationship (neighbourhood action plan in 2004).	New cooperation guidelines, budget support, trade and PSD guidelines (2003, 2004).

Changing country context					
Tanzania	Deepening regional integration within the EAC - move to a customs union in 2005 and then further to a common market further, formation of EAC as a configuration for EPA negotiations.				
	Changing context	country	New Commission strategies	Changes/ development in the international discussion/ fora	Other factors
Russian Federation	WTO accession		WTO accession	WTO accession	Negotiations for a new PCA
	Changing context	country	Changes/ development in the international discussion/ fora		
Cameroon	L'importance de la mondialisation, la crise et l'objectif d'atteindre l'émergence en 2035.		L'entrée en force des négociations pour aboutir à un accord commercial avec l'Union européenne a sensiblement augmenté les sollicitations en appuis pour dynamiser les échanges commerciaux du pays, que ce soit avec la sous-région ou l'union européenne.		

2.3. TRA Delivery

2.3.1. Could you please characterise the development of TRA aid modalities from 2004 to 2010 in your country?

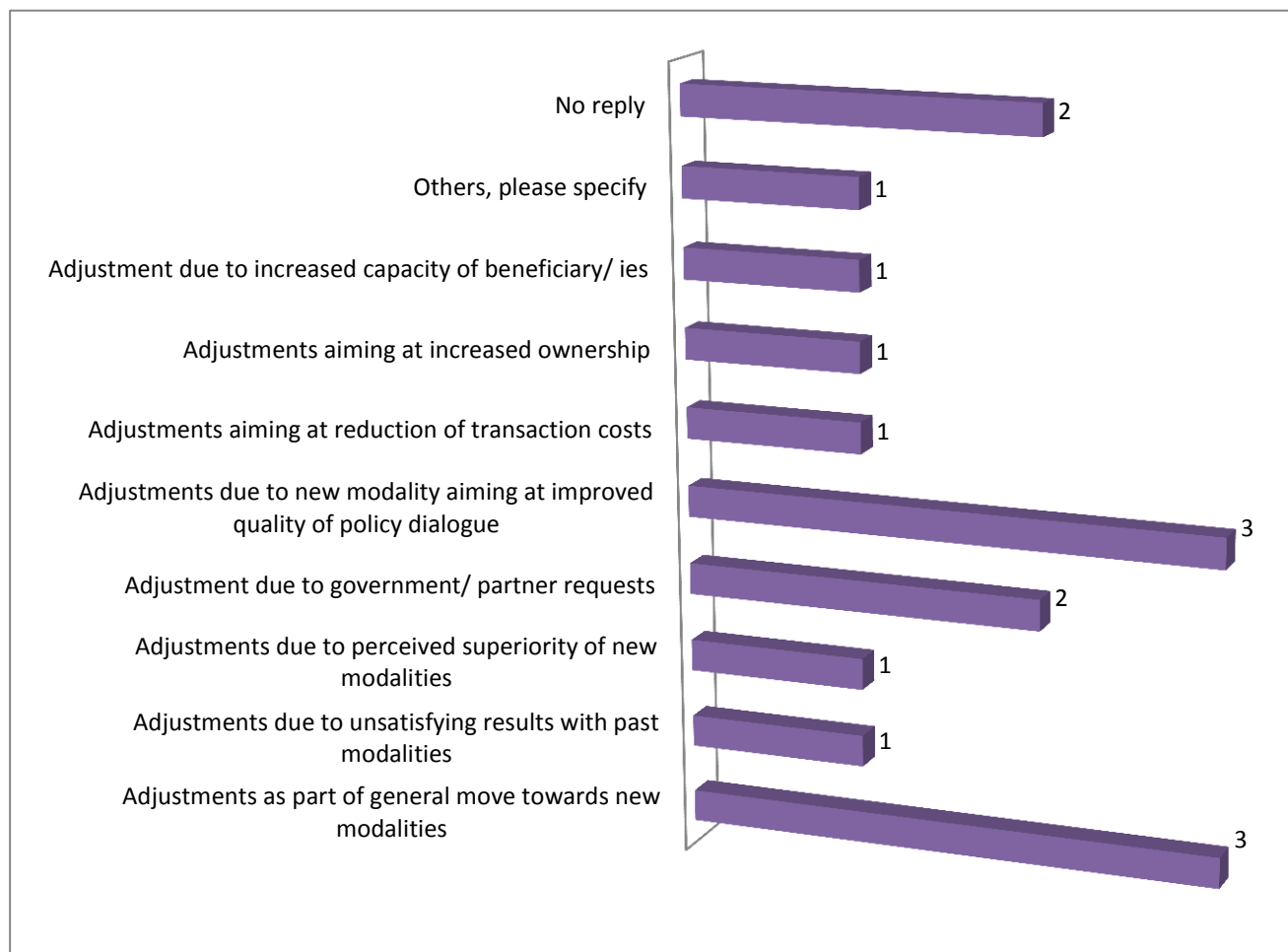
Figure 11: Characterization of the development of TRA aid modalities between 2004 and 2010



2.4. TRA aid modality adjustment

2.4.1. Please describe the nature of adjustments in TRA aid delivery modalities during 2004-2010 in your country:

Figure 12: Description of the nature of adjustment in TRA aid delivery modalities between 2004 - 2010



- Remark: multiple answers possible.

Table 39: Please explain:

Delegation	Comments			
	Adjustments as part of general move towards new modalities			
Guyana	Support to the Sugar Sector (SBS) as part of the general move towards budget support modalities in Guyana			
	Adjustments due to unsatisfying results with past modalities			
Ghana	The SBS approach adopted for the Private Sector and Trade Enabling Programme (2007-2009) showed that there was a need to significantly strengthen the capacities of the Ministry of Trade and Industry and affiliated agencies before implementing another SBS programme. Furthermore, the delayed approval of a new Private Sector Development Strategy (PSDS II, 2010-2014) prohibited to foresee a SBS approach for part of the new project, the Trade Related Assistance and Quality Enabling Programme (TRAQUE).			
	Adjustments due to new modality aiming at improved quality of policy dialogue			
Tunisia	Until 2006, budget support programmes in the form of "Facilité d'Ajustement Structurel". From 2006 onwards Budget support programmes (general and sectoral) according to the new Commission guidelines (2003). In parallel PSD programmes (competitiveness, privatisation) executed via the project approach.			
	Adjustments due to perceived superiority of new modalities	Adjustments due to new modality aiming at improved quality of policy dialogue	Adjustments aiming at reduction of transaction costs	Adjustments due to increased capacity of beneficiary/ies
El Salvador	We have experienced a change from a traditional cooperation programme to a Budget Support modality, which, in the case of El Salvador, has been fuelled both by the Salvadoran Government's capacity to manage funds and their willingness to bring those funds in line with EU priorities, as well as national priorities.	We have experienced a change from a traditional cooperation programme to a Budget Support modality, which, in the case of El Salvador, has been fuelled both by the Salvadoran Government's capacity to manage funds and their willingness to bring those funds in line with EU priorities, as well as national priorities.	A budget support modality brings about a reduction of transaction costs.	We have experienced a change from a traditional cooperation programme to a Budget Support modality, which, in the case of El Salvador, has been fuelled both by the Salvadoran Government's capacity to manage funds and their willingness to bring those funds in line with EU priorities, as well as national priorities.
	Adjustments aiming at increased ownership			
Tanzania	DPs have tried to move towards a more harmonised approach to TRA - a move towards a basket fund arrangement has been driven in particular by Sweden. Government however continues to prefer a segmented project approach - and even recently has "chosen" to opt rather for a			

	UNDP/EIF funded single project approach rather than a joint-up basket approach managed by the government.
	Others, please specify
Russian Federation	Increased focus of linking TRA to regional integration has seen increased funding flows to be targeted to a regional (donor established) initiative Trademark East Africa which has set up a not-for-profit company coordinating funding to TRA/regional integration for a number of development partners in Tanzania (DFID, DK, SE, NL).

2.5. TRA Delivery

2.5.1. During the evaluation period (2004-2010) in your country, to what extent has the Commission used project approaches strategically to focus on specific challenges not addressable through budget support modalities?

Figure 13: Extent of use of project approaches to focus on challenges not addressable through BS modalities

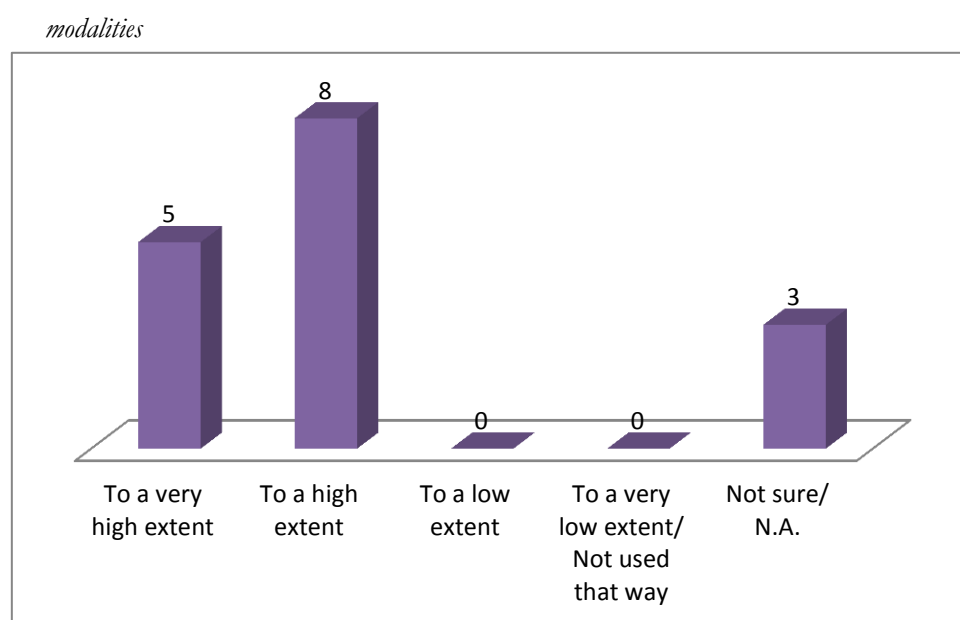


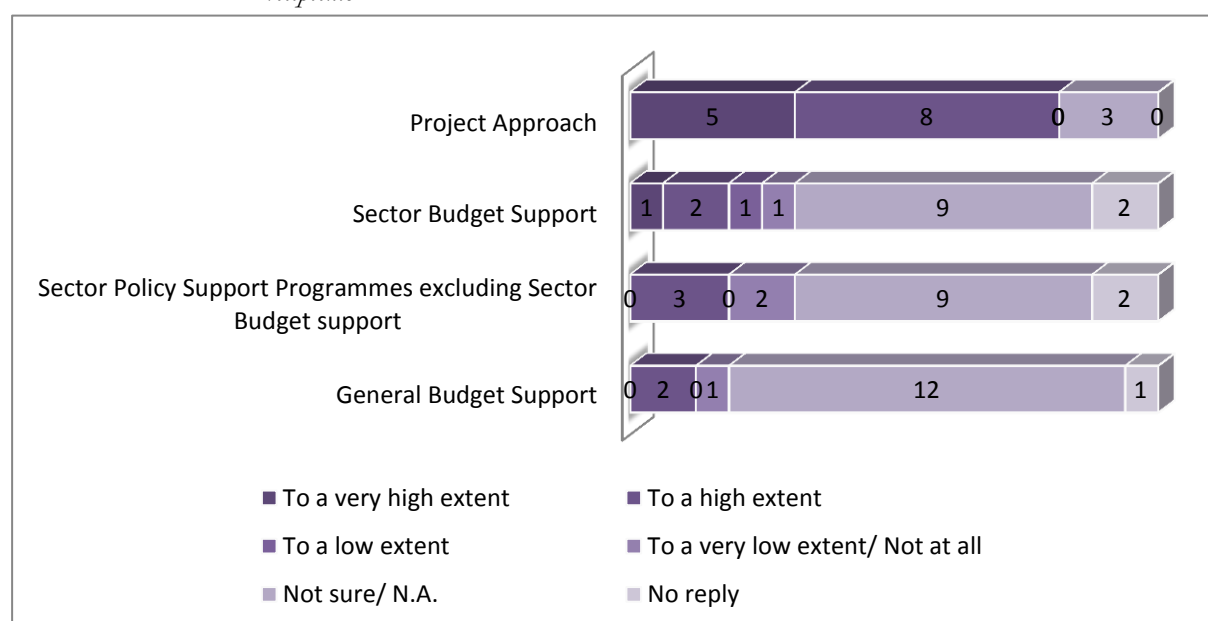
Table 40: Please provide examples, where relevant, and/ or comment on your rating:

Delegation	Comments
Guyana (high)	Mainly capacity building projects financed under various EDF programmes (e.g. TradeCom)
India (high)	The Commission has delivered Technical assistance support to respond to the needs jointly identified with the Government
Zambia (high)	A separate Private Sector Development Programme was implemented, alongside General Budget Support.
Bangladesh (very high)	There is no budget support in TRA in Bangladesh
Cambodia (high)	Mainstreamed in rural devt/agriculture programmes
Ghana (high)	See the comment for question 8.
Paraguay (very high)	As no sectoral policy is in place, budget support was not envisageable at the time of project formulation.
Mozambique (very high)	A project was developed focusing on TRA (quality infrastructure, export promotion and customs) and working with weak institutions which needed knowledge transfer and capacity building. This was best ensured through a project approach

Tunisia (high)	BS represented around 65 % of aid modality The rest via project approach
Tanzania (high)	Specific focus has been given to enhancing capacities in the agriculture sector to benefit from market access provided under EPAs (and to regional/national markets) and to trade policy making and implementation in more general terms.
Cameroon (very high)	L'utilisation de la modalité approche projet est systématique puisque le Cameroun n'est pas encore éligible à l'appui budgétaire
Egypt (high)	A previous TRA programme used BS approach, while the new/current one is a project approach to be able to address more specific issues

2.5.2. From hindsight, to what extent has the choice of aid delivery modalities been commensurate with the capacities of relevant recipients (e.g. government, private sector, agencies) in charge of implementing of the Commission's TRA?

Figure 14: Extent of commensuration of the choice of aid delivery modalities concerning capacities of recipients



- Of all aid delivery modalities, the project approach is assessed as most adequate; least commensurate was the general budget support. However, there are many “Not sure /not applicable” answers regarding budget support, making a comparison of the aid modalities difficult.

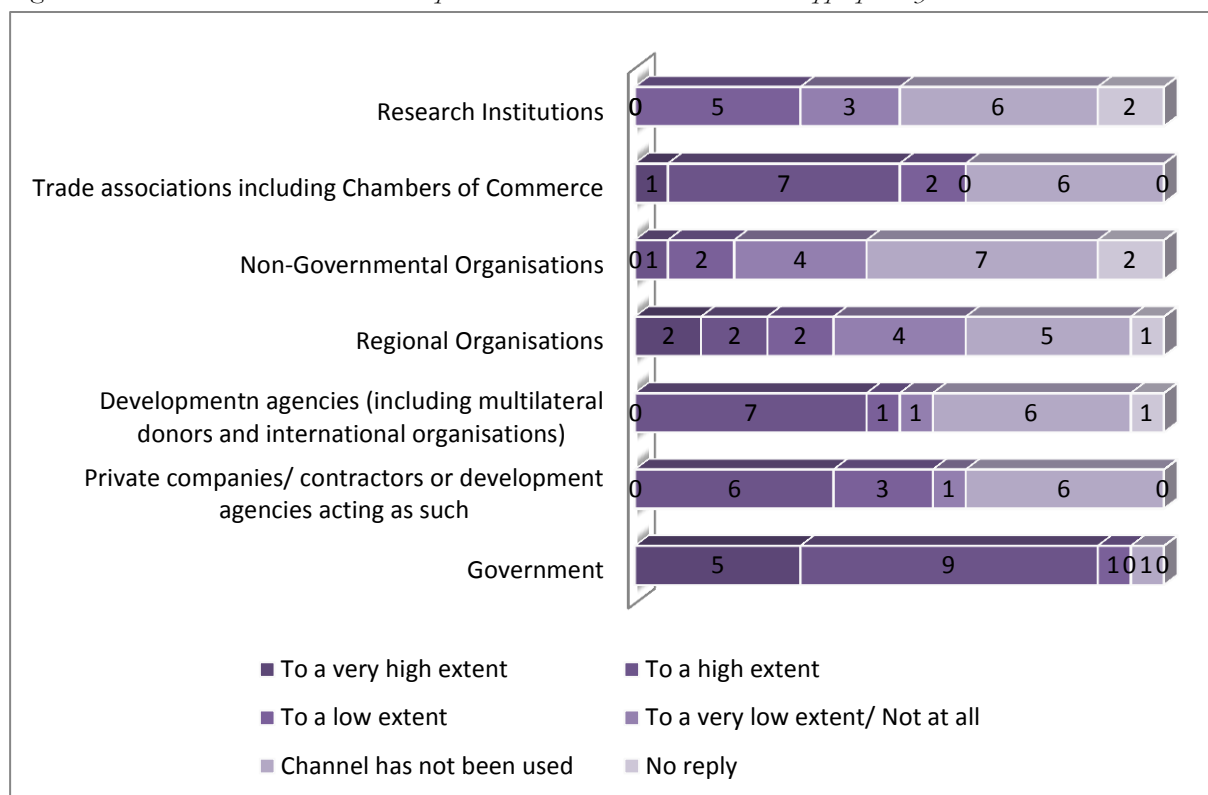
Table 41: Please add comments, if relevant:

Delegation	Comments			
	General Budget Support	Project approach	Sector Budget Support	Sector Policy Support Programmes excluding

				Sector Budget Support:
Guyana			Gov.agencies constantly struggle to live up to their commitments laid down in the SBS programmes	
India		Only method adequate to the institutional setting so far		
Bangladesh	No budget support		There is no SBS	There is not SPSP
Ghana	Not applicable for TRA.	See the comment for question 8.	See the comment for question 8.	Not applicable for TRA.
Paraguay	Not applicable	Due to the lack of sectoral policy in the area of trade, the Delegation was obliged to use a project approach. The combination of highly bureaucratic national procedures and EC procedures generate delays in the execution of our projects.	Not applicable	Not applicable
Russian Federation		Budget support is not acceptable to the Russian Government		
Cameroon	NA, l'appui budgétaire n'est pas utilisé au Cameroun	NA, l'approche projet est le seul choix possible	NA, l'appui budgétaire n'est pas utilisé au Cameroun	NA, l'appui budgétaire n'est pas utilisé au Cameroun

2.5.3. To what extent have each of the below mentioned implementation channels been appropriate to achieve TRA objectives in your country?

Figure 15: Extent to which mentioned implementation channels have been used appropriately



- The respondents consider the government as being the channel that was most appropriate to achieve TRA objectives; and NGOs as least appropriate.

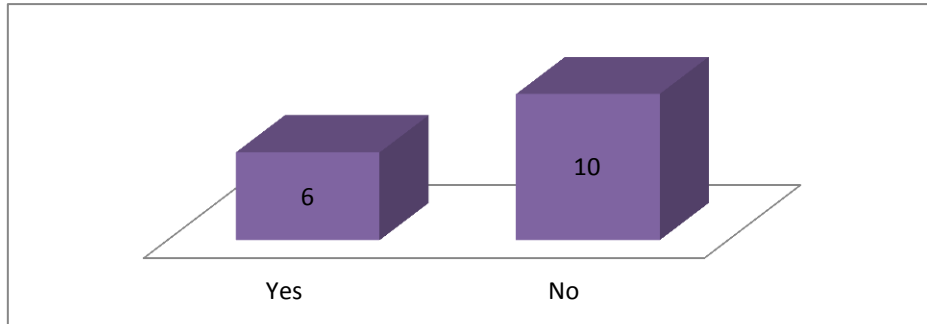
Table 42: Please explain your assessment:

Delegations	Comments					
	Development agency (including multilateral donors and international organisations)	Government	Non- Governmental Organisations	Private companies/ contractors or development agencies acting as such	Regional organisations	Trade associations including Chambers of Commerce
Guyana	International organizations and other donors administered relatively small amounts for targeted actions with a high degree of supervision	Sugar Sector Programme implemented by GoG hasn't shown expected results			capacity constraints on the side of the Secretariat of the Caribbean Community (CARICOM)	
Bangladesh		The government has been instrumental to implement TRA				
Paraguay			Some projects executed on thematic budget lines touched upon TRA. These projects were successful even if the impact was geographically limited.		The TRA projects executed by MERCOSUR (supervised by Delegation of Uruguay) are highly relevant.	
Tanzania				The Commission continues to have inappropriate funding		

				modalities to target private sector directly. This will hopefully change in the future as direct engagement of private companies (not service contractors) would be important to successful TRA in future.		
Russian Federation		Preparations for WTO accession		Workshops		Workshops
Burkina Faso		Infrastructure development as priority and best implemented with government		Private sector projects, like support to "maison d'entreprise"	But limited to the specific "quality" project implemented with West Africa Region	Chamber of Commerce involved in "maison d'entreprise"
Cameroon	Certaines activités sont mise en œuvre par des agences techniques telles que l'ONUDI	Les projets sont mis en œuvre en gestion décentralisés et donc sous le canal des l'ordonnateur national et des ministères techniques		Certaines activités comme par exemple la construction des routes bitumés sur les axes sous régionaux sont mises en œuvre par des entreprises privées		les représentants du secteur privé sont associés à la mise en œuvre de certains activités comme la normalisation et la mise à niveau d'entreprises. la chambre de commerce a également été associé pour des activités comme la sous-traitance

2.5.4. Was any form of Budget Support (General Budget Support and/or Sector Budget Support) used for TRA in your country at any time between 2004 - 2010?

Figure 16: Use of Budget Support for TRA between 2004 - 2010

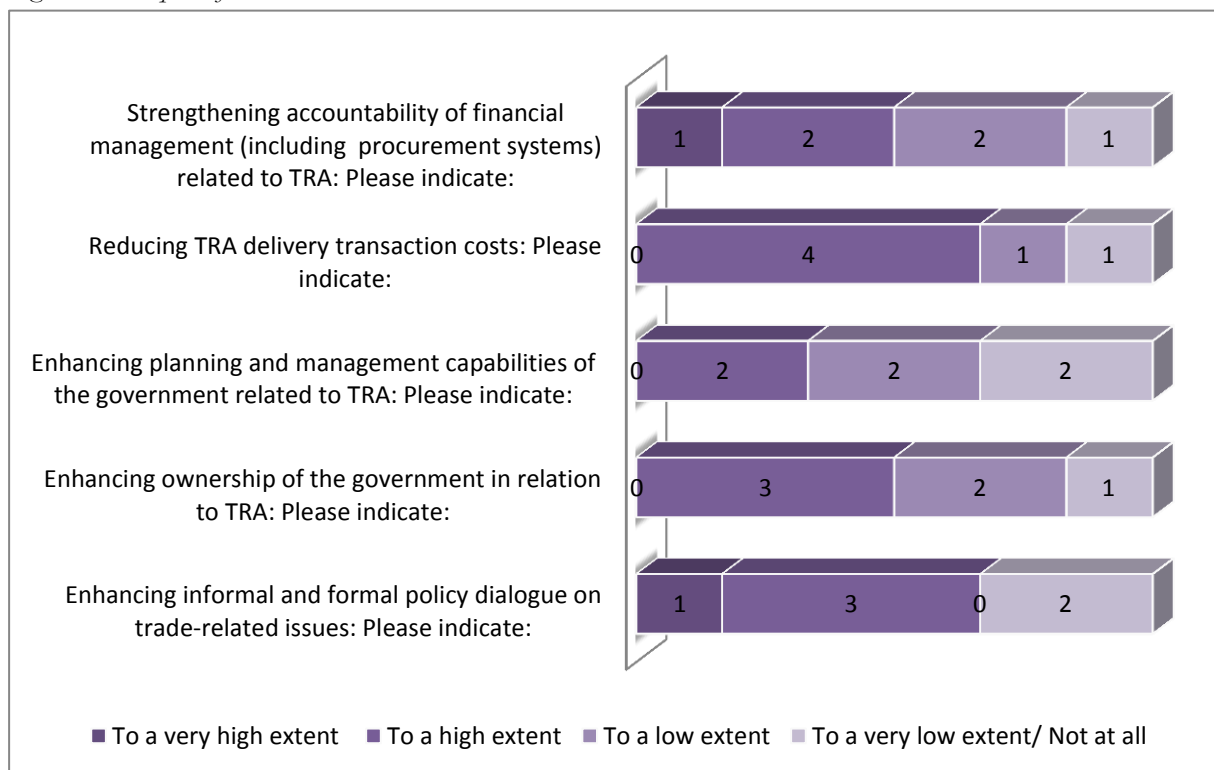


- EUDs giving the answer “Yes”: Egypt, El Salvador, Ghana, Guyana, Tunisia, Zambia.

2.6. TRA Delivery – Budget Support

2.6.1. To what extent did General Budget Support and Sector Budget Support impact on/ contribute to the following selected issues?

Figure 17: Impact of GBS and SBS



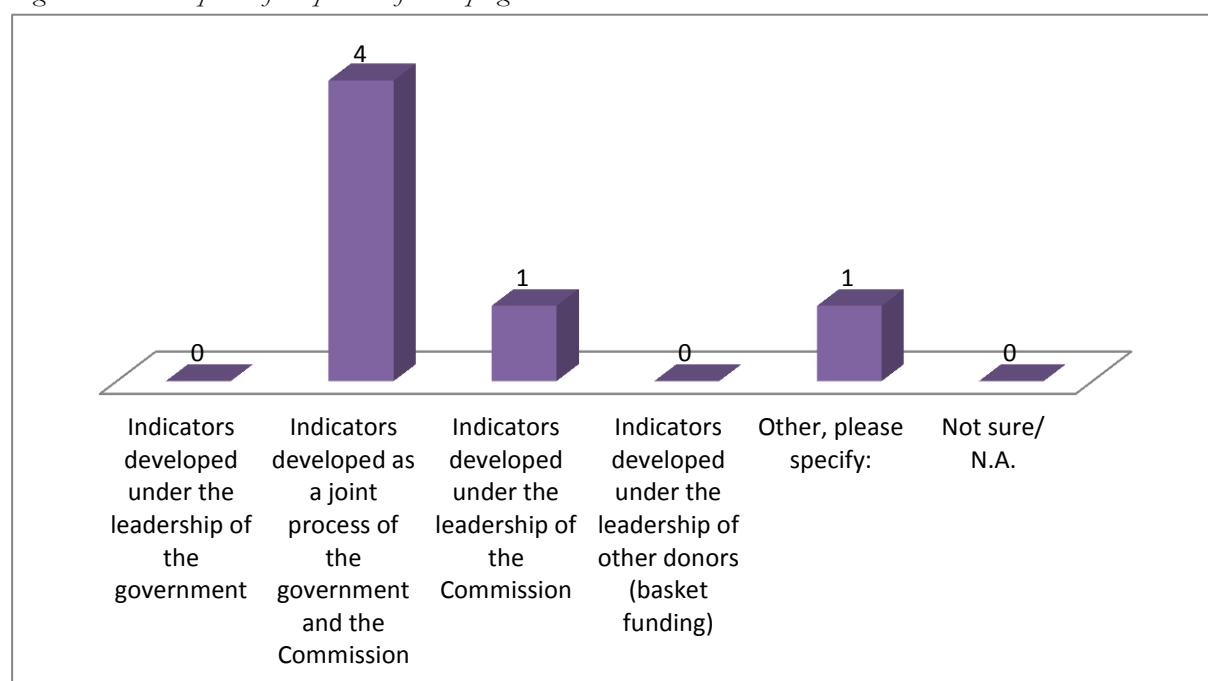
- GBS and SBS had most impact on reducing TRA delivery transaction costs and on enhancing informal and formal policy dialogue on trade-related issues. It had least impact on enhancing planning and management capabilities of the government related to TRA.

Table 43: Please explain your assessment:

Delegations	Comments			
	Enhancing informal and formal policy dialogue on trade-related issues	Enhancing ownership of the government in relation to TRA	Enhancing planning and management capabilities of the government related to TRA	Reducing TRA delivery transaction costs
Guyana	Sugar production and exports not part of an overall trade strategy	Sugar production and exports not part of an overall trade strategy	s. above	Generally less people involved in implementation in SBS
Zambia	The macro-economic enabling environment is an important aspect of the GBS dialogue		This is core business of GBS	

2.6.2. How would you describe the process of developing General Budget Support and Sector Budget Support indicators related to TRA?

Figure 18: Description of the process of developing GBS and SBS indicators related to TRA



- Most respondents view that the process of developing GBS and SBS indicators related to TRA was a joint process of the government and the commission.

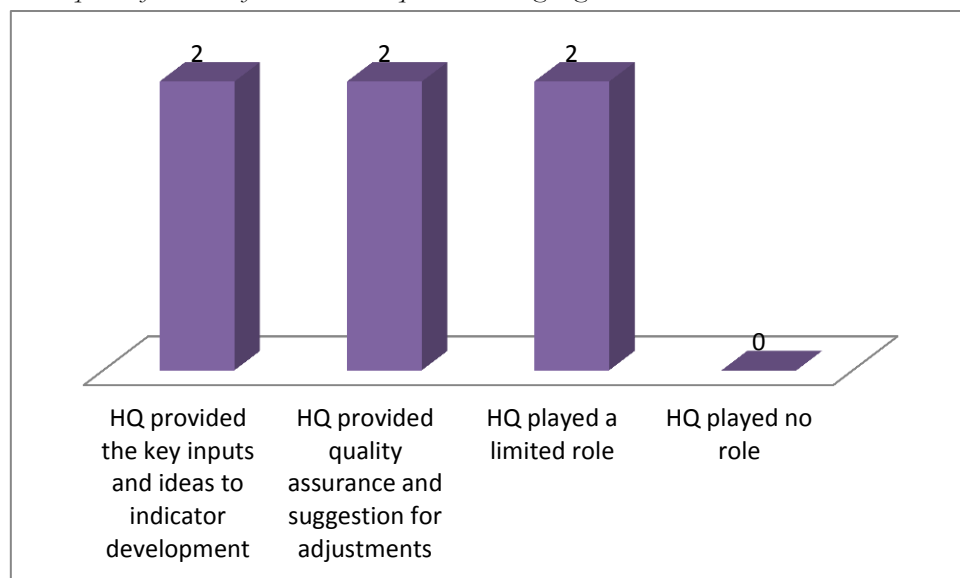
Table 44: Please add comments, if relevant:

Delegation	Comments
Zambia	With COM, Government and other donors through the PRSP group.
Tunisia	Indicators are developed jointly with other donors and government in our

	general budget support programme (2008, Programme d'appui à l'intégration).
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2.6.3. If relevant please describe the role of EC headquarter in designing TRA related GBS/SBS

Figure 19: Description of the role of the EC Headquarter in designing TRA related GBS/SBS



2.6.4. How would you rate the relevance and the measurability of TRA related indicators in General Budget Support and Sector Budget Support for the achievement of TRA objectives?

Figure 20: Rating of relevance and measurability of TRA related indicators in GBS/SBS for the achievement of TRA objectives

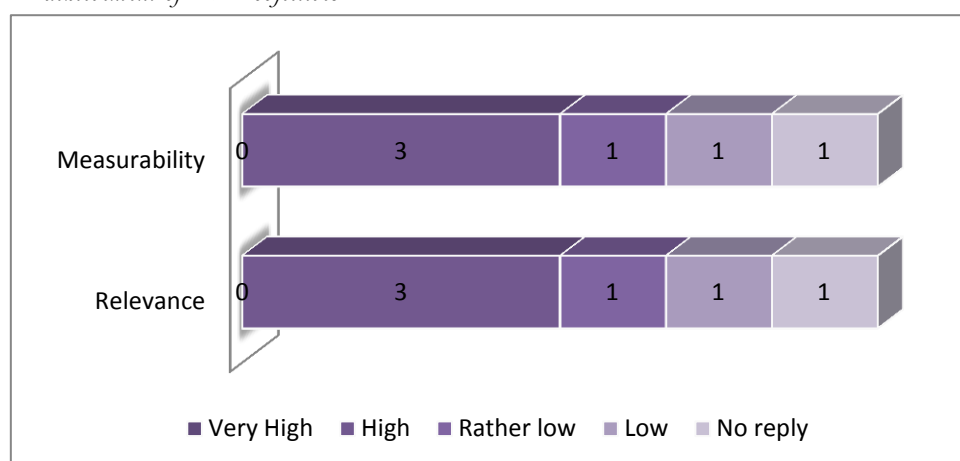


Table 45: Please explain your assessment:

Delegation	Comments	
	Relevance	Measurability

Guyana (rather low, rather low)	Indicators related mostly to production.	See above
Zambia (low, low)	TRA Indicators in GBS pertain more to the general macro-economic enabling environment.	See above

2.6.5. How would you rate the reporting through the government to the Commission regarding General Budget Support and Sector Budget Support indicators related to TRA?

Figure 21.1: Rating of the reporting through the government to the EC concerning Data quality

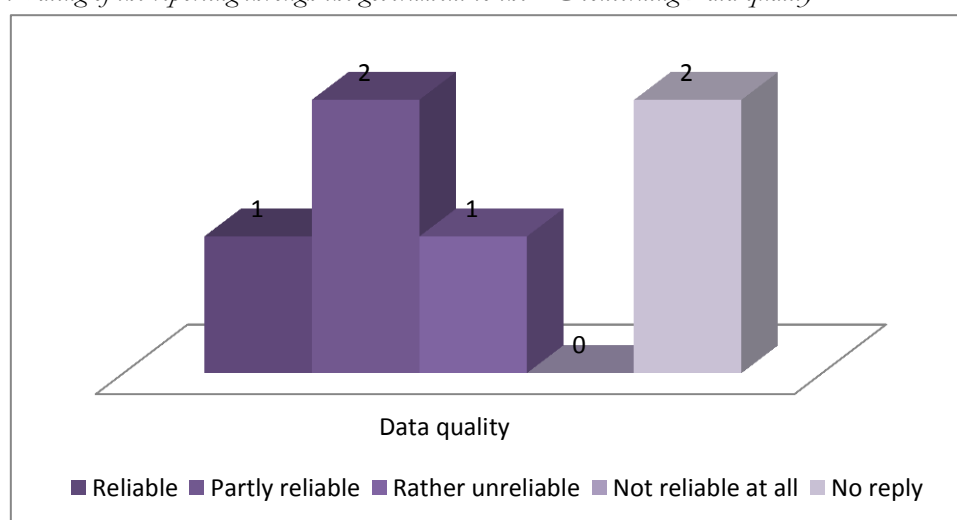
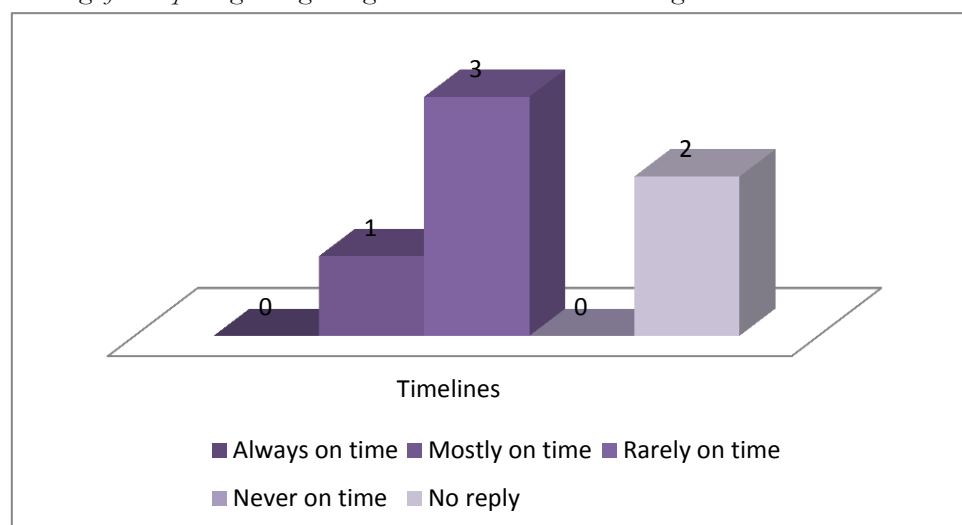


Table 46: Please explain your assessment:

Delegation	Comments
Guyana (partly reliable)	Local statistics not always reliable
Zambia (no reply)	Government only reported on the general macro indicators, as agreed in the PAF.

Figure 18.2: Rating of the reporting through the government to the EC concerning Timelines



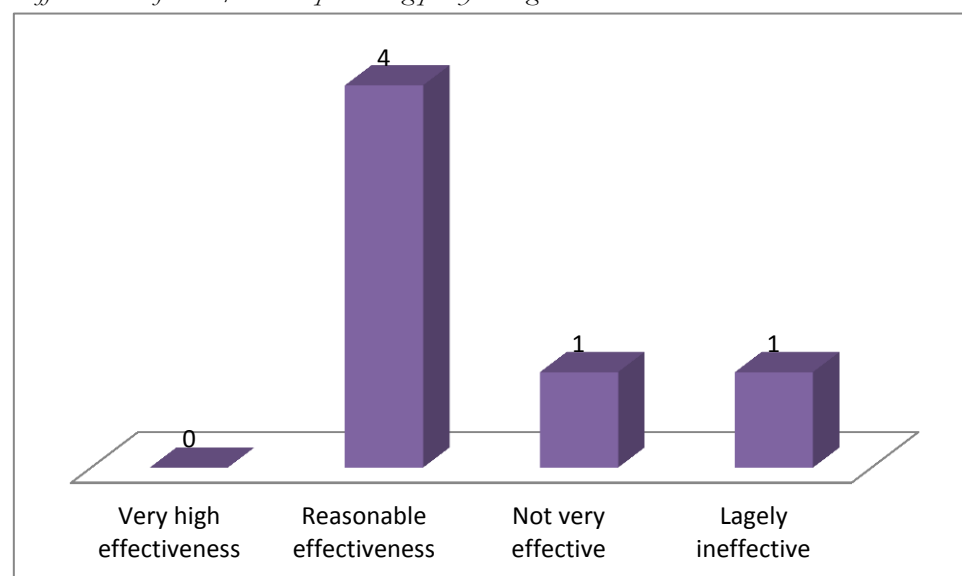
- The majority states that reporting through the government to the commission was rarely on time.

Table 47: Please explain your assessment:

Delegation	Comments
Guyana (rarely on time)	Authorities were not very responsive to EC information requests.
Zambia (no reply)	See above

2.6.6. How effective have General Budget Support and Sector Budget Support been in promoting policy dialogue on TRA and on wider trade issues?

Figure 22: Effectiveness of GBS/SBS in promoting policy dialogue on TRA and wider trade issues



- Most respondents state that GBS and SBS have been reasonably effective in promoting policy dialogue on TRA.

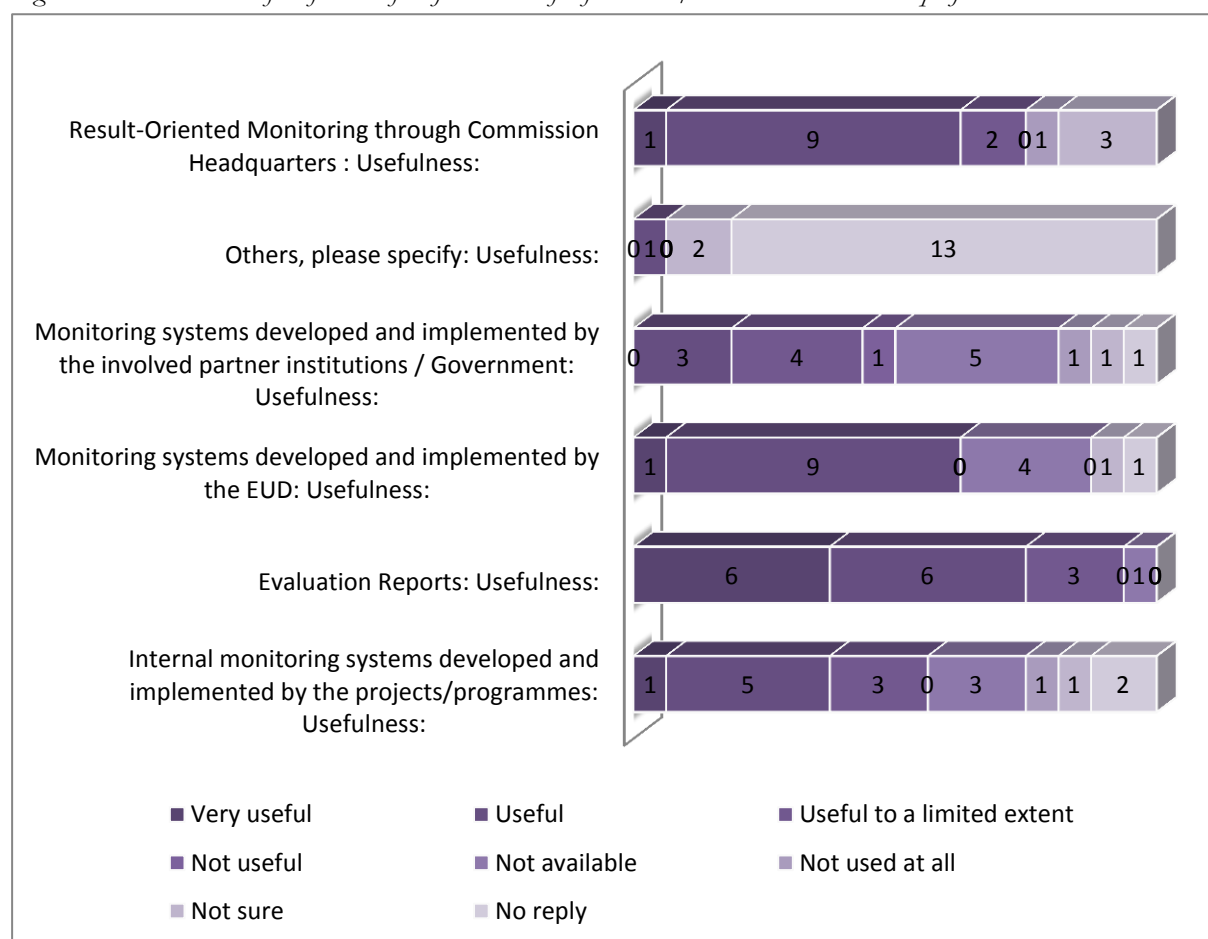
Table 48: Please add comments, if relevant:

Delegation	Comments
Guyana (largely ineffective)	The sugar support programme in Guyana has a very strong social dimension, TRA aspects are secondary
Zambia (reasonable effectiveness)	Dialogue was very effective in the early 2000-ies through economic stabilisation and improving the trade enabling environment.

2.7. TRA Delivery

2.7.1. Please assess the usefulness of your major sources of information/ tools to monitor and assess TRA projects and then also indicate for which purpose you used these sources?

Figure 23: Assessment of usefulness of major sources of information/ tools to monitor TRA projects



- The respondents assess the evaluation reports as the sources of information that were most useful, followed by the result-oriented monitoring through the Commission HQ and the monitoring systems by the EUD. The monitoring systems implemented by the involved partner institutions/government as assessed as least useful.

Table 49: Please explain your assessment:

Delegation	Comments						
	"Internal" monitoring systems developed and implemented by the projects	Evaluation Reports	Monitoring systems developed and implemented by the EUD	Monitoring systems developed and implemented by the involved institutions / Government	Others, please specify	Result-Oriented through Headquarters	Monitoring Commission
China					Day to day monitoring of activity implementation against action fiches, contracts and projects plans.		
Bangladesh	This varies from project to project		Monitoring by Delegation's staff involved with the projects				
Paraguay	Steering Committees do not meet regularly.		Daily contacts and monitoring of activities are undertaken by the programme officers of the Delegation. However, there is no formalised system with indicators as such in place.	Monitoring systems are weak.			
Mozambique				Quality of the monitoring systems when available not always very good		Only one project on TRA was implemented during the period and a mid-term evaluation was done so no need for ROM	
Tunisia			Jointly with other donors in relation to BS programmes				
Burkina Faso		Useful tool				Useful tool	

Cameroon						Toujours très utile. la qualité peut être variable selon l'efficacité du moniteur
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2.7.2. In case contextual changes occurred during the implementation of TRA, has TRA been adjusted to reflect these changes?

Figure 24: Adjustment of TRA to occurring changes

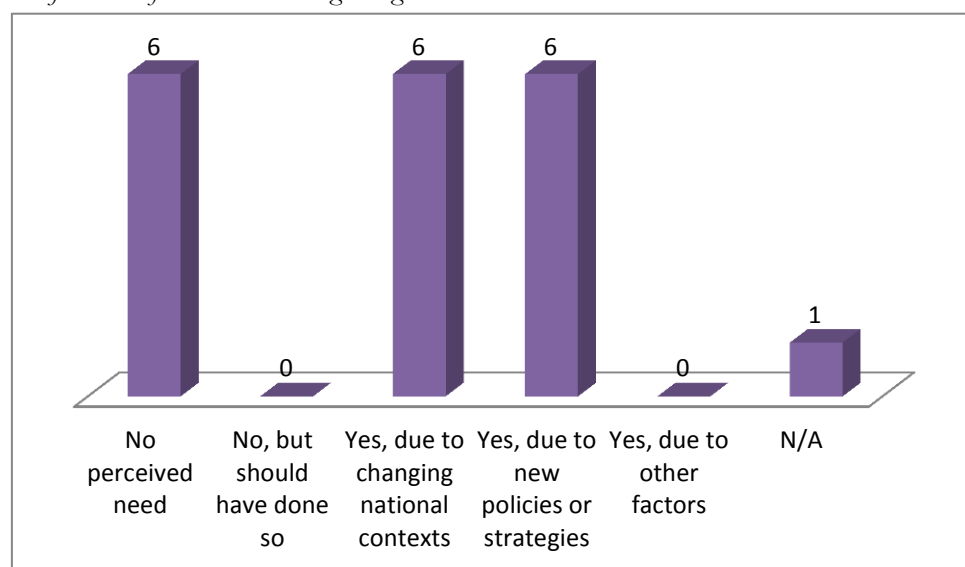


Table 50: Please explain:

Delegation	Comments
India (yes, changing national context)	Re-addressing priorities in a non-exceptional way; constant revision of trade policy to account for recent evolutions
Bangladesh (no perceived need)	new focus - to increase resilience to external shocks (diversification)
Mozambique (yes, changing national context)	TRA has been adjusted given analysis made during the formulation of the new TRA project which started in 2008
Tanzania (yes, changing national context)	Increased attention given to regional integration angle as explained earlier.
Russian Federation (yes, new policies)	Decision of Russia to join WTO
Cameroon (yes, changing national context)	oui, dans le cadre de la crise survenue depuis 2008 dans le monde, certains activités ont du autre réorientées et/ou repoussés ; il est parfois nécessaire d'ajuster nos actions au calendrier du gouvernement qui en matière de certaines réformes avance parfois plus vite que prévu.

2.7.3. In your opinion, how clear are the Commission's guidelines and tools for TRA programming and implementation?

Most respondents state that the Commission's guidelines and tools for TRA are somewhat clear, while no EUD states that the guidelines are not clear. However there are also some critical statements made by the Delegations of Bangladesh, Mozambique and Tanzania as can be seen in the table presenting the comments.

Figure 25: Clarity of the Commission's guidelines and tools for TRA programming and implementation

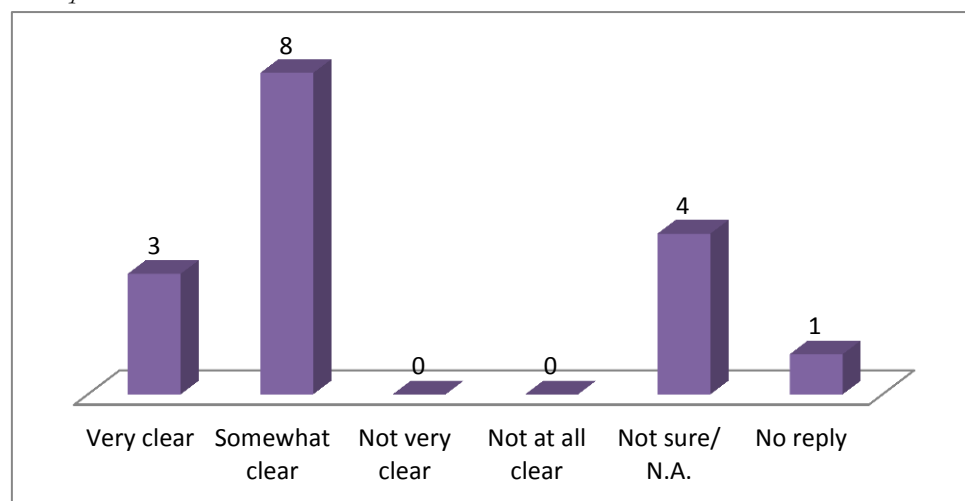


Table 51: Please provide reasons for your assessment, e.g. by indicating what might be missing, or what is excellent:

Delegation	Comments
Bangladesh (somewhat clear)	Some difficulties are perceived in terms of contextualising the guideline.
Mozambique (very clear)	Tools are flexible but one of the challenges is how to increase synergies between the work at national and the work at regional level.
Tunisia (somewhat clear)	Until 2011 two TRA guidelines (trade and psd) were available. There was a need to update these guidelines and to merge them into a unique document (done in 2011 trade and private sector policy and development).
Tanzania (somewhat clear)	Very clear but applicable, like so many other guidelines, to the ideal world situation. In practice, more pragmatism and flexibility is needed in implementation of TRA - and all other – programmes.
Burkina Faso (somewhat clear)	Very broad coverage, but still relatively clear.

2.7.4. How have Delegation staff resources been assigned to cover TRA evolved during 2004-2010?

Figure 26: Assignment of Delegation staff resources to cover TRA evolution during 2004 - 2010



- The majority states that delegation's staff resources have not changed during the period 2004-2010, but there is a slight tendency pointing towards increased staff resources.

Table 52: Please add comments, if relevant:

Delegation	Comments
Cambodia (same)	30 % of one operations section staff.
El Salvador (same)	The Delegation in El Salvador has constraints with mission's budget, which have made it impossible for DEU SV staff members to attend TRA regional seminars carried out in Latin America (Mexico) and Brussels.
Cameroon (considerable increased)	Un poste a été créé en 2010 dans la section opérationnelle pour gérer le portefeuille des appuis au commerce.

2.7.5. How would you characterise the evolution of the Delegation's capacity until 2010 to ensure proper management of Commission's TRA?

Table 53: Comments:

Delegation	Comments
China	Capacity has been consistent at high level, thanks also to HQ TRA training and thorough hand over between project officers
Guyana	Capacity has not changed very much.
India	OK
Zambia	Has remained at the same level
Bangladesh	There has not been any noticeable evolution. Staff resources have been ensured and are almost the same.
Cambodia	not enough and missing a Trade section which would support the policy dialogue and ensure consistency with EU policies on Trade.
Ghana	Not sure as I can answer only for the period 2009-2010, during which

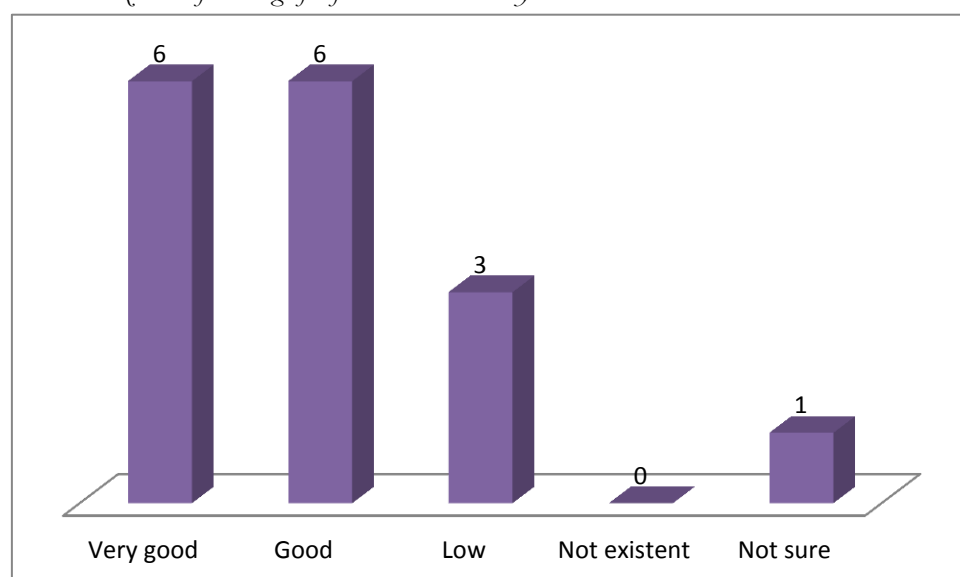
	there was no change in the capacity.
Paraguay	Despite of the recruitment of an extra programme officer in 2009 who dedicated part of his time to TRA, the difference remains almost unnoticed because of the high general workload this small delegation has.
Mozambique	Good (with an exception for 2008 since the post in charge of TRA and private sector was vacant during a year)
Tunisia	No comment.
El Salvador	Very good. In fact, with very limited amount of resources (human, in particular) proper management has been ensured.
Russian Federation	Adequate.
Burkina Faso	Stable.
Cameroon	La création du nouveau poste est arrivée à point nommé en 2010 car un des secteurs de concentration du 10 ^{ème} FED était dédié au commerce et à l'intégration régionale.

2.8. Coordination and Complementation of TRA

2.8.1. How would you characterise sharing of information and policy analysis on trade with EU Member States in your country in 2010?

The majority of Delegation assesses the sharing of information and policy analysis on trade with EU Member States in 2010 as "Very good" or "Good". The Delegations of Guyana, Cambodia and Burkina Faso add to their assessment that there are only few EU Member States (EU MS) involved in TRA in their countries.

Figure 27: Characterization of sharing of information and analysis with EU member states in 2010



- Most respondents consider the sharing of information and policy analysis on trade with EU member states as very good/good.

Table 54: Please add comments, if relevant:

Delegation	Comments
Guyana (good)	Only one EU MS present (UK) with limited staff numbers.
Zambia (very good)	Regular meetings with EU trade officers and private sector development officers take place.
Cambodia (low)	Few EUMS involved.
Ghana (low)	No particular arrangements currently exist among the EU MS for TRA specifically. However, a joint EU (EU Member States + EUD) Trade and Economic Counselor's group has been established to improve coordination on general trade/economic issues at the EU level.
Mozambique (good)	Sharing of information is good but sharing of policy analysis not so much. Since trade is not yet a topic covered by a lot of member states and was also not a priority until 2012, not a lot was done in this aspect. Since 2010, the topic is gaining more importance.
Tunisia (very good)	Regular meetings do take place (réunions accès aux marchés des conseillers économiques, et réunions bailleurs de fonds).
Tanzania (good)	Regular co-ordination meetings among DPs engaged in TRA take place (goes beyond the EU). in addition, the EU co-ordination is further enhanced through the trade/commercial counselor group which regularly discusses trade related matters.
Burkina Faso (good)	TRA no priority for EU MS.
Cameroon (good)	Les bailleurs de fonds ont un mécanisme de coordination dans le secteur de l'Economie et du Commerce à la Délégation est chef de file. Toutefois, il faudrait un rapprochement des conseillers commerciaux des EM et de la DUE pour approcher plus précisément les questions même de politique commerciale.

2.8.2. How would you characterise the trend related to such sharing of information with EU Member States over the past years up until 2010?

Figure 28: Characterization of the trend related to such sharing of information until 2010

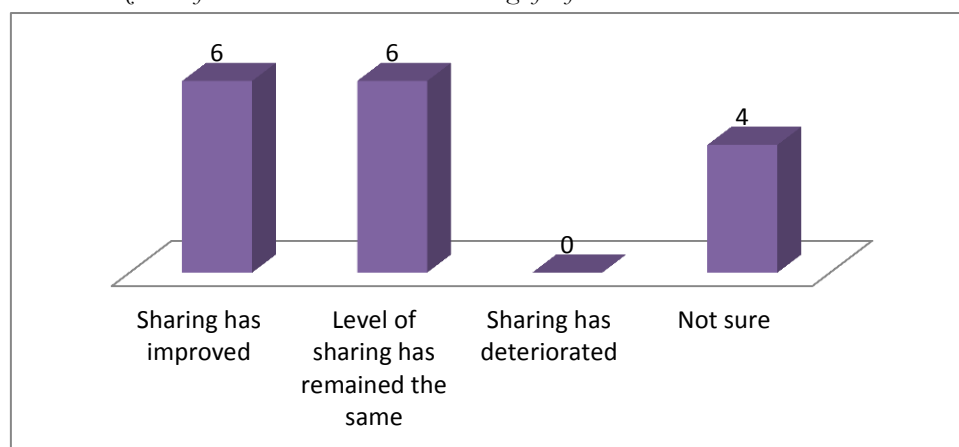


Table 55: Please add comments, if relevant:

Delegation	Comments
Zambia (improved)	Not only with EU MS, but with other cooperating partners as a result of the aid effectiveness agenda and resulting donor coordination mechanisms.
Ghana (not sure)	Not sure as I can answer only for the period 2009-2010, during which there was no change in the trend.
Paraguay (improved)	Reinforced because of reopening EU-MERCOSUR negotiations in 2010.
Tanzania (not sure)	Having been engaged in the country level dialogue only since 2009, I am not in a position to comment with authority, but my sense is that the level has remained good throughout the period under evaluation.
Cameroon (not sure)	Tous les EM n'avait pas de conseillers commerciaux. la délégation elle-même n'avait pas de conseiller commercial. un poste a été créé en 2007 ou 2008 géré par la DG Commerce de la commission pour suivre les questions de relations commerciales entre le Cameroun et l'UE.

2.8.3. How would you characterise the sharing of information and policy analysis on trade with other donor agencies (i.e. non EU Member States) in your country in 2010?

Figure 29: Characterization of sharing of information with other donor agencies in 2010

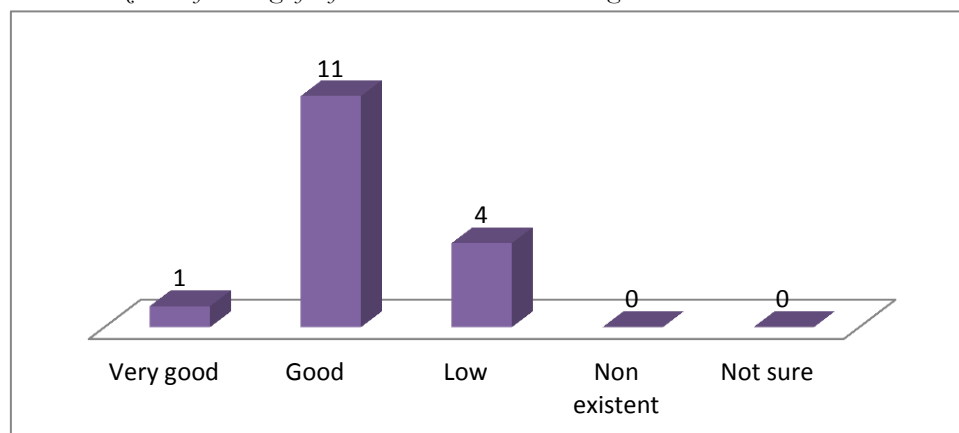
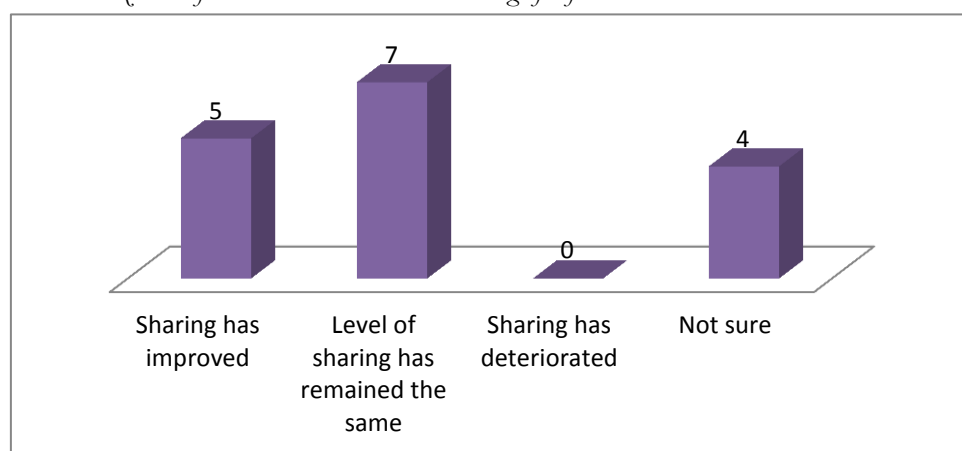


Table 56: Please add comments, if relevant:

Delegation	Comments
Guyana (good)	Few donors present in the country, facilitates exchanges of information.
Zambia (good)	See above.
Cambodia (low)	Missing Trade section.
Ghana (low)	In addition to informal exchanges, the sharing of information is conducted formally in the framework of the Multi Donor Budget Support mechanism, the official development assistance arrangement under which development partners collectively provide budget support to the Government to implement the Growth and Poverty Reduction Strategy, and its sector-specific sub-groups. Thus the sector sub-group on Private Sector Development would largely cover the sectors under the TRA umbrella.
Paraguay (low)	No formal coordination mechanism has been put in place by the government. Sharing of information is low.
Mozambique (good)	A private sector working group including a trade subcommittee allows for sharing of information with other donor agencies and occasionally some policy analysis on selected topics was shared.
Tanzania (good)	See above reference to the DP group on TRA.
Cameroon (good)	À travers le groupe Economie et Commerce du Comité Multipartenaires.

2.8.4. How would you characterise the trend related to such sharing of information on trade with other donor agencies (i.e. non EU Member States) over the years up until 2010?

Figure 30: Characterization of the trend related to such sharing of information until 2010



- There is a clear trend of improved sharing of information with non EU Member States.

Table 57: Please add comments, if relevant:

Delegation	Comments
Ghana (not sure)	Not sure as I can answer only for the period 2009-2010, during which there was no change in the trend.
Tunisia (improved)	Especially in the framework of joint BS programmes.
Tanzania (not sure)	As for previous question about EU MS.
Cameroon (not sure)	Le groupe économie et commerce est assez récent, créé en 2007 je crois. depuis, il n'avait pas fonctionné très bien. Depuis 2009, il est actif et opérationnel.

2.8.5. Related to TRA, how would you characterise the division of labour agreed upon with EU Member States

The EUDs characterize the division of labour with the EU MS as being better in the second period compared to the first period. Three more EUDs consider the division of labour as “good” in the period of 2007 to 2010, compared to the period of 2004 to 2006. However, there is no change in the number of EUDs characterising the division of labour as “low” or “non-existent”.

Figure 31: Characterization of the division of labour agreed upon with EU Member states

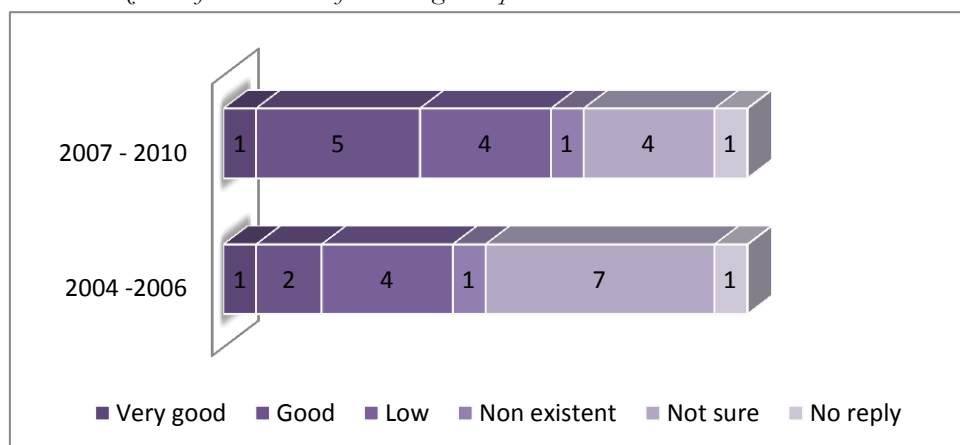


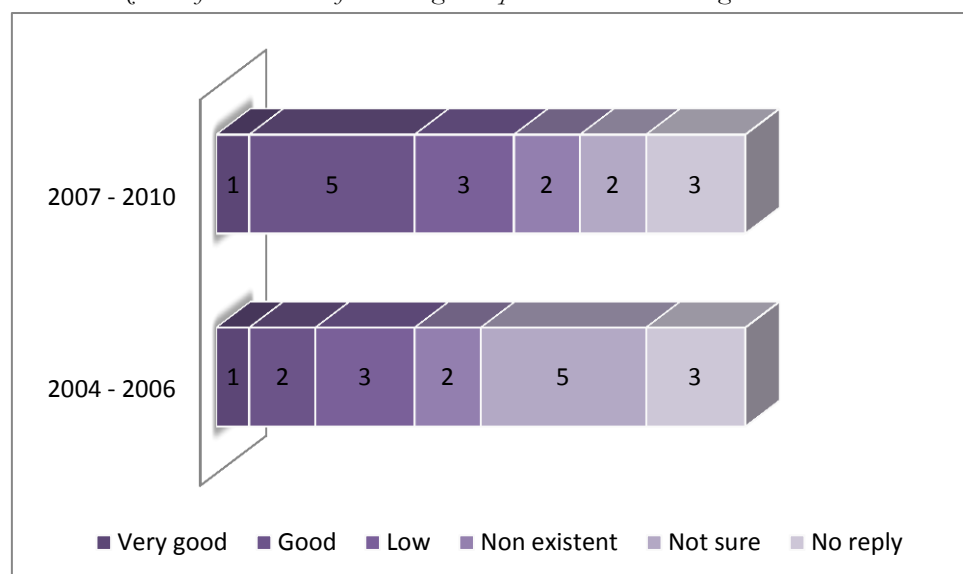
Table 58: If the complementarity is very good or good, since when? Please add comments, if

relevant:

Delegation	Comments
India (not sure)	There are only a few donors in India in the specific sector; division of labour is not very relevant in this context.
Cambodia (very good)	Joint support with Denmark.
Tanzania (good)	DoL in Tanzania among EU is well developed. However, the design of TRA initiatives in the past has been rather loose; hence at implementation level there is a possibility for over laps. Close co-ordination mechanisms are in place to ensure that such overlaps do not materialise.
Cameroon (not sure)	des efforts sont à faire avec les EM pour mieux coordonner nos actions.

2.8.6. Related to TRA, how would you characterise the division of labour agreed upon with other donor agencies (i.e. non EU Member States)

Figure 32: Characterization of the division of labour agreed upon with other donor agencies



- According to the EUDs, the division of labour with other donor agencies has slightly improved in the second period.

Table 59: If the complementarity is very good or good, since when? Please add comments, if

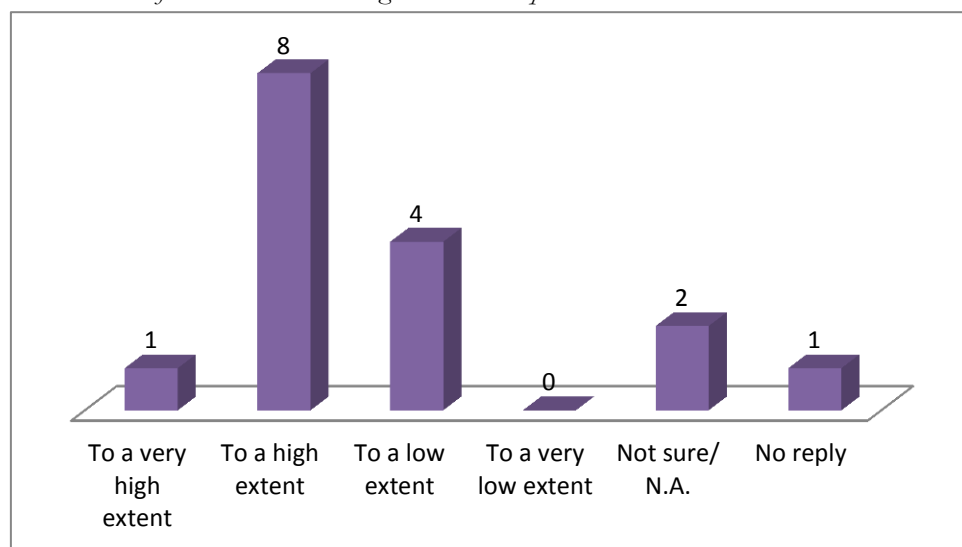
relevant:

Delegation	Comments
India (not sure)	There are only a few donors in India in the specific sector; division of labour is not very relevant in this context.
Cambodia (very good)	Very few donors (WB, UNIDO, Denmark and EC).
Paraguay (non-existent)	For this reason, the AIEP project includes a coordination component.
Tanzania (good)	As above. UN agencies however are not always as co-operative as one would hope.
Cameroon (not sure)	Des efforts sont à faire avec les autres bailleurs pour mieux coordonner nos actions.

2.8.7. In your opinion, to what extent has the Commission contributed to establishing a coordinated position with EU Member States on TRA in your country?

The assessment of the Delegations concerning the extent to which the Commission contributed to establishing a coordinated position with EU MS on TRA is largely positive. This is also reflected in the mostly positive statements given by the EUDs as can be seen in the table below.

Figure 33: Contribution of the EC to establishing a coordinated position with EU Member states



- Eight of the respondents assess the EC contribution to establishing a coordinated position with EU members as “high” or “very high”, while 4 perceive it as “low”, and none as “very low”.

Table 60: Please explain your assessment – If to a very high or high extent, in which areas mainly?

Delegation	Comments
China (high)	Regular meetings with development and trade counsellors, mainly in the procurement and competition field, and also IPR.
Guyana (high)	TRA part of the overall donor coordination in which COM plays an important role.
India (very high)	Yes by complete openness and sharing of information.
Zambia (high)	As partner alongside other EU MS in the Private Sector Development Programme, and for example as lead of the PRBS group in year 2009.
Bangladesh (high)	An EU Commercial Counsellor's meetings are now held regularly and flow of information has increased.
Cambodia (high)	Only Denmark involved.
Ghana (low)	The joint EU (EU Member States + EUD) Trade and Economic Counsellor's group has been established in 2010 on the initiative of the EUD.
Paraguay (low)	Even if it is not purely ""TRA"", common positions were taken upon several themes included in the EU-MERCOSUR Free Trade agreement negotiations. For example, intellectual property.
Mozambique (low)	TRA not priority until 2010 in the dialogue between EU (including member states) and the Government. The importance of TRA has increased since 2010.
Tunisia (high)	The Delegation has been promoting aid coordination with MS although there was neither will nor leadership from the government side on aid coordination.
Tanzania (high)	Close technical level co-ordination has ensured coordinated positions among the EU MS.

Russian Federation (high)	Preparations for WTO, technical regulations, judicial reforms.
Burkina Faso (low)	TRA no priority in the country.

2.8.8. To what extent is TRA at regional level coordinated and complementary with TRA at national level, i.e. in your country?

Considering the extent of coordination between regional and national level, the statements of the EUDs are largely negative. No EUD states that there is a "high extent" of coordination and complementarity. Furthermore, some state that this question is not applicable (see comments).

Figure 34: Extent to which TRA is coordinated at regional level and is complementary with TRA at

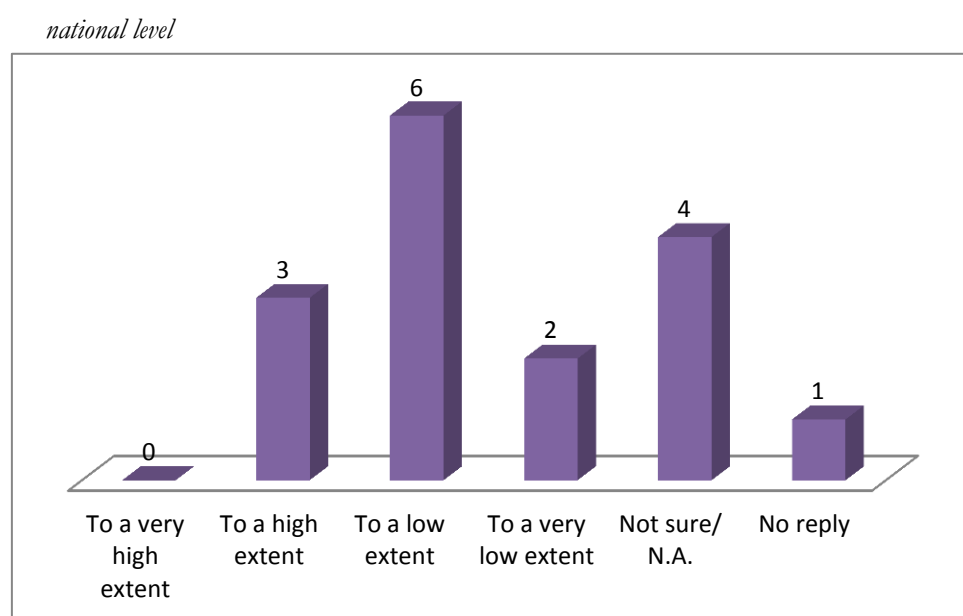


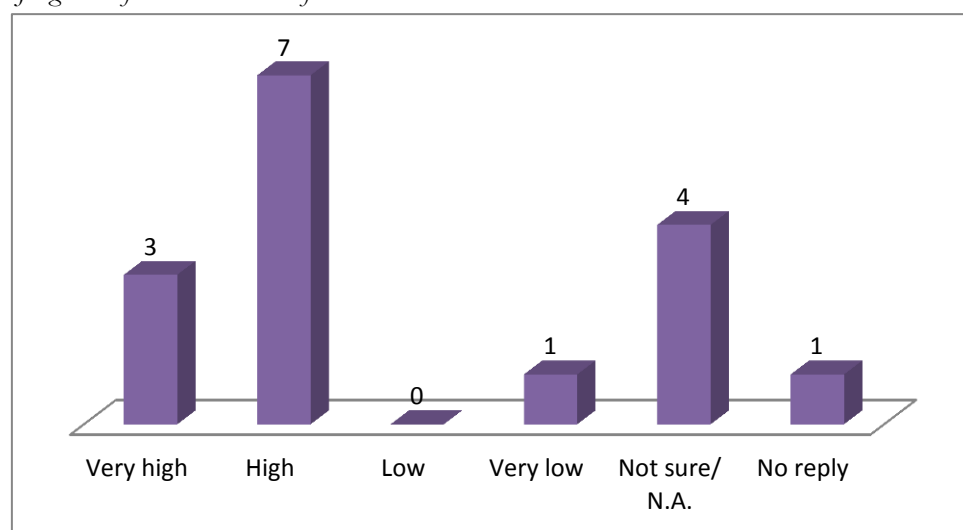
Table 61: Please explain your assessment:

Delegation	Comments
India (n. a.)	TRA at Regional level has not taken off yet.
Zambia (low)	In practice not coordinated and therefore not complementary.
Bangladesh (very low)	SAARC regional cooperation for instance is very weak. No effective form of regional cooperation is present.
Paraguay (low)	Low coordination between MERCOSUR projects and national projects.
Mozambique (low)	Priorities at national level for TRA expressed by government not always the same as at regional level.
El Salvador (high)	It is important to highlight that regional level coordination of TRA is ensured by the EUD in Managua, Nicaragua, and, thus, it is not directly engaged by the EUD in El Salvador.

Tanzania (high)	As mentioned several times, the national level TRA initiatives are to an increased extent informed by regional priorities.
Burkina Faso (high)	"Quality program" at regional level is implemented with national partners
Cameroon (low)	Durant la période 2004-2010, il y a eu peu de complémentarité avec le niveau régional et national. lorsque c'était le cas, les informations ont été partagées.

2.8.9. How would you judge the value added of the Commission's TRA?

Figure 35: Judgment of the value added of the Commission's TRA



- The EUDs clearly see added value being provided by the Commission's TRA.

Table 62: Please explain your assessment:

Delegation	Comments
Guyana (n. a.)	There is no TRA coming from EU MS in Guyana.
Zambia (high)	Programmes are generally well coordinated with EU MS and other Cooperating Partners.
Bangladesh (high)	EUD continues to be the key player wherever the EU Member States are not involved.
Paraguay (n. a.)	Only two EU Member States are active in development cooperation with Paraguay: Spain and Germany. None of them has got TRA related projects in the period under revision.
Mozambique (high)	The TRA between 2004 and 2010 permitted to be complementary with activities of certain member states in the country such as Germany and the Netherlands for example and since not many member states were working during this period on TRA, this assistance was really important to the country.
Tunisia (high)	Commission TRA programmes are identified and formulated in close co-operation with MS in order to ensure complementarity and efficiency of

	interventions.
Russian Federation (very high)	Specific projects on preparations for WTO and technical regulations have ensured the right legal framework for all operators.
Burkina Faso (high)	But limited to the infrastructure support.

2.9. Outcomes of TRA

In the following chapter, the answers of the EUDs are presented in the following way: for each question, there will be a text describing the answer patterns of the Delegation. This is followed by a table depicting how many Delegations choose which answer. The third thing for each question is a graph presenting the shares of the “evaluative” answers, i. e. the answer categories “Very High”, “High”, “Low”, “Very Low” for answers regarding importance and “Highly Satisfactory”, “Satisfactory”, “Partially Satisfactory”, and “Not Satisfactory” for the questions regarding achievements.

2.9.1. In your country, for the evaluation period 2004 - 2010 and in relation to Commissions TRA, how would you rate a) The importance of priorities over time in your specific in-country TRA portfolio? b) The level of achievements of TRA outcomes?

2.9.1.1. Enhancing trade negotiation capacities of national government

There is a slightly negative trend in the assessment of the importance regarding the enhancement of trade negotiation capacities of national governments. In comparison to the period of 2004 to 2006, two more EUDs rate the importance as “Low” and only one more EUD rates the importance as “High” for the period of 2007 to 2010. However, the importance seems to be high for both periods.

A slight negative trend can also be seen regarding the achievements. For the first period, all EUDs assess the achievements as satisfactory while for the second period, half of the EUDs assess them as only partially satisfactory.

Figure 36: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	2	4	1	1	2	4	2
2007-2010:	2	5	3	1	2	1	2

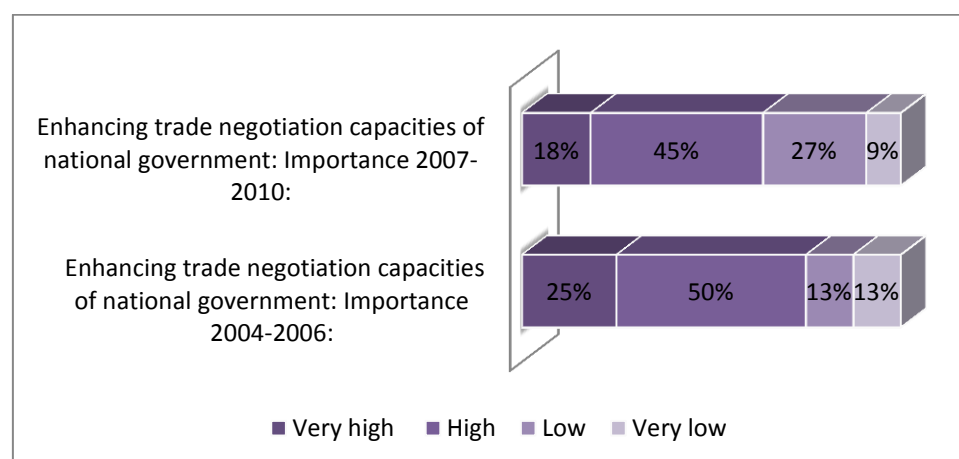


Figure 37: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	4	0	0	4	6	2
2007-2010:	1	2	3	0	4	4	2

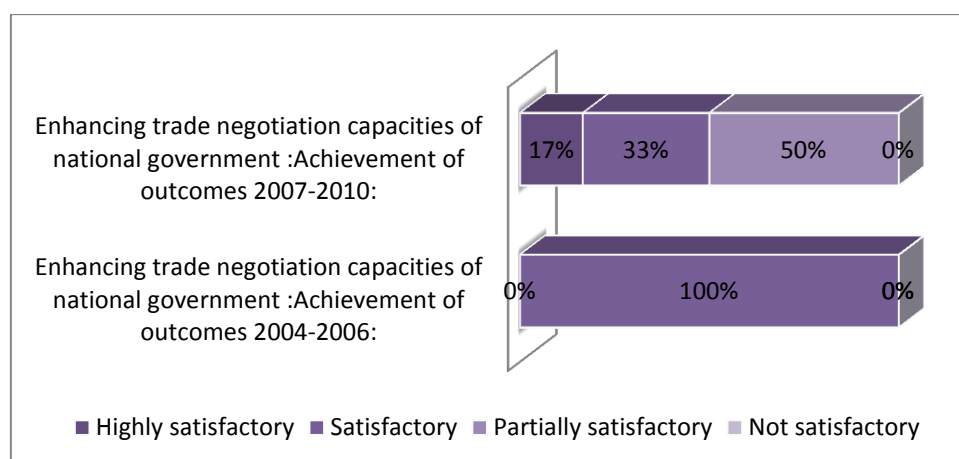


Table 63: Comments:

Delegation	Comments
Paraguay	AIEP has got a component to strengthen capacities of national negotiators, specifically in TBT. However, the implementation of the project did not start before 2010.

2.9.1.2. Enhancing trade policy formulation of national government

There is no clear trend between the two periods regarding the importance given to enhancing trade policy formulation of national governments. For both periods, more than half of the EUDs assess the importance as “high” or “very high”.

The achievements of the first period are assessed as being very good, although only three EUDs gave a judgemental response and eight EUDs replied with “not sure”. For the second period (2007-2010), the assessments are less favourable.

Figure 38: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	2	3	1	3	0	5	2
2007-2010:	1	7	3	2	1	0	2

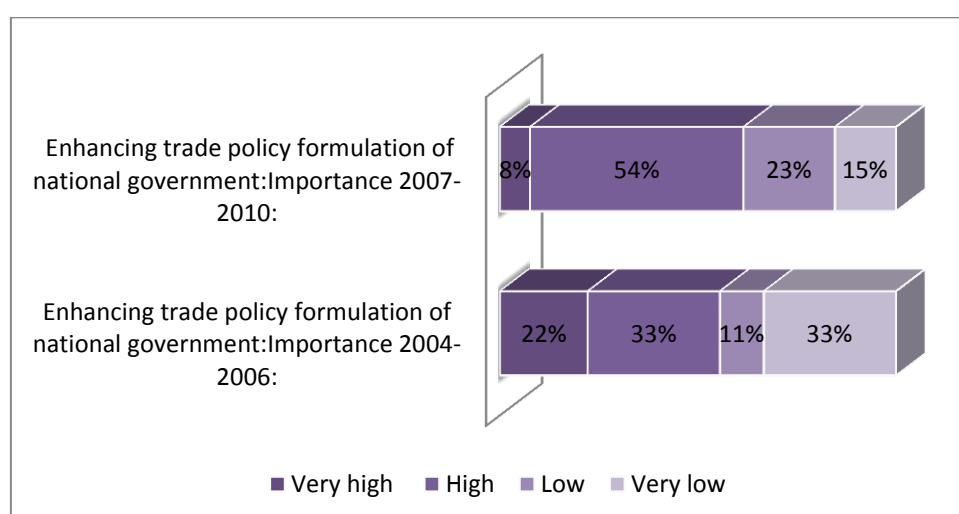


Figure 39: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	1	2	0	0	3	8	2
2007-2010:	2	3	3	1	3	2	2

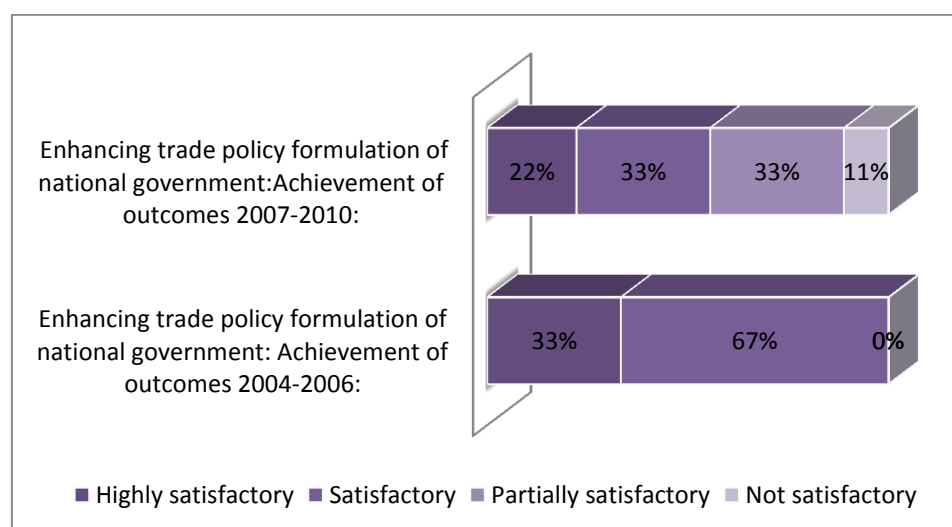


Table 64: Comments:

Delegation	Comments
India	2007-2010 no relevant interventions on-going.
Bangladesh	The process started only since 2007.
Mozambique	Technical assistance given to the Ministry of Industry and Commerce from 2005-2006 for preparing the country for EPA negotiations.

2.9.1.3. Enhancing trade policy implementation of national government

There is a shift in the assessment of the importance given to the enhancement of trade policy implementation of national governments which is visible in the increased share of 64% of the EUDs who consider the support given as “Very High” or “High” in the second period. In comparison, only 50% of the EUDs give this assessment for the first period, although the share of EUDs considering importance as “very high” is larger for the first period.

There are no clear patterns regarding the assessment of achievements in the field of enhancing trade policy implementation. All in all, the assessments are rather positive with no EUD stating that the achievements have been “not satisfactory”.

Figure 40: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	1	2	2	1	1	7	2
2007-2010:	1	7	3	1	1	1	2

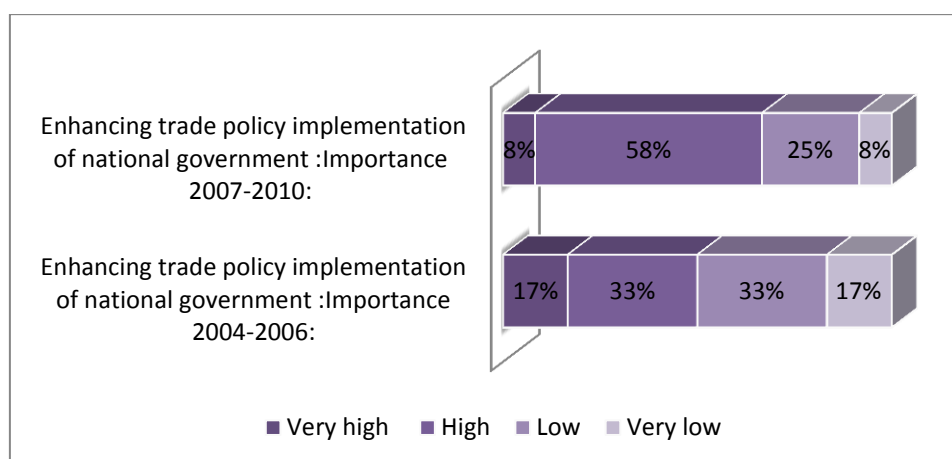


Figure 41: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	2	1	0	3	8	2
2007-2010:	1	4	4	0	3	2	2

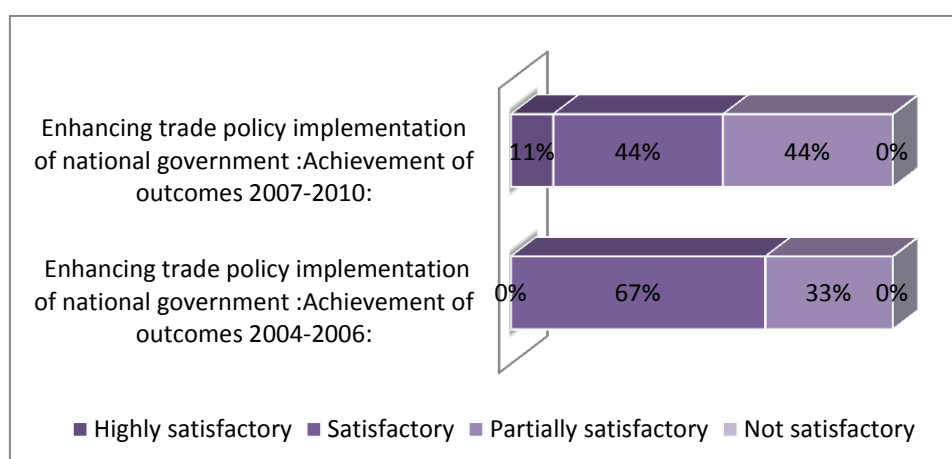


Table 65: Comments:

Delegation	Comments
Bangladesh	Bangladesh still does not have Trade Policy.
Paraguay	There is no general trade policy on national level.

2.9.1.4. Strengthening capacity of government institutions involved in trade policy formulation and implementation

The importance of strengthening the capacity of government institutions involved in trade policy formulation is assessed as being higher for the period 2004 to 2006, while it is in general rather high for both periods.

Concerning the achievements of outcomes there seems to be a very small positive trend. For the first analysed period no EUD rates the achievements as “Highly Satisfactory” and only three Delegations consider them as “Satisfactory” and two as “Partially Satisfactory”. For the second period two Delegations choose “Highly Satisfactory”, three choose “Satisfactory” and four “Partially Satisfactory”.

Figure 42: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	3	4	2	0	1	4	2
2007-2010:	3	6	5	0	0	0	2

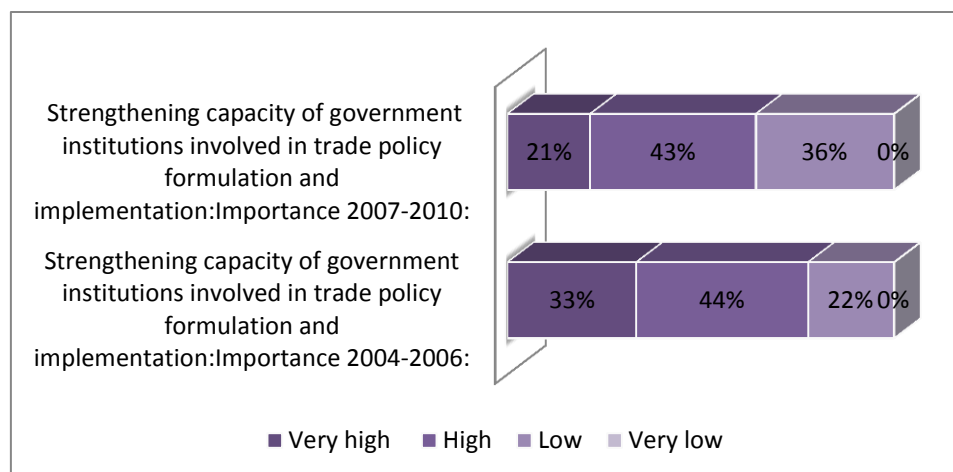


Figure 43: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	3	2	1	3	5	2
2007-2010:	2	3	4	1	2	2	2

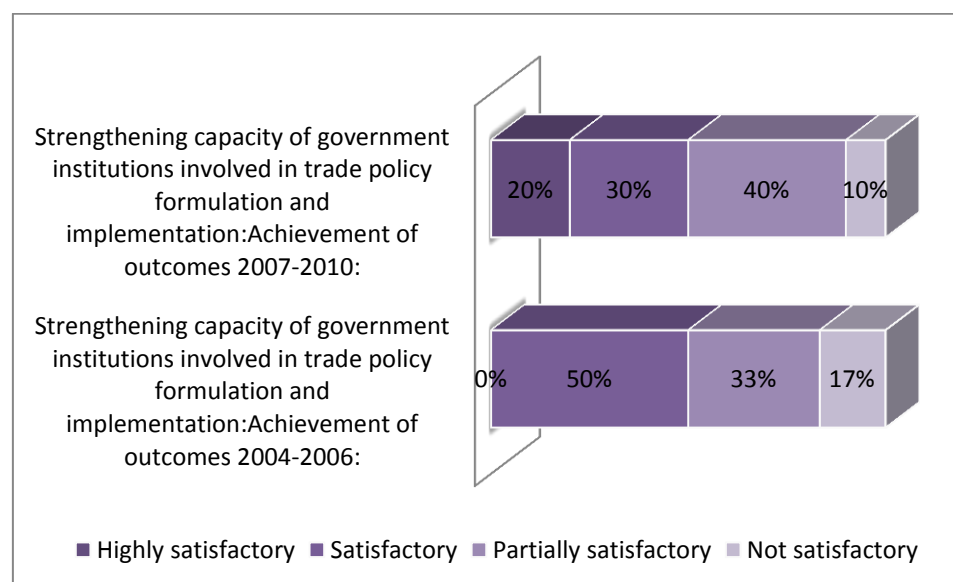


Table 66: Comments:

Delegation	Comments
Mozambique	Technical assistance given to the Ministry of Industry and Commerce from 2005-2006 for preparing the country for EPA negotiations and TRA assistance which started in 2008 with mixed results.
Tunisia	Twinnings on Customs and Investment issues.

2.9.1.5. Strengthening capacity visible through enhanced quality of trade and FDI related services of government institutions for private sector

There is a slight shift in the importance given to the strengthening of the capacity visible through enhanced quality of trade and FDI related services of government institutions. For the period of 2004 to 2006 the majority of the EUDs rate the importance of this area as "low". For the second period, the majority rates it as "high" or "very high".

Concerning the achievements of outcomes there is almost no difference between the two periods. Although for the first period, the share of EUDs rating the achievements as "satisfactory" is larger compared to the second period, on the other hand, the share of EUDs rating achievements as "not satisfactory" is also considerably larger for the first period. For both periods, no EUD rates the achievements as "highly satisfactory".

Figure 44: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	1	2	5	0	1	5	2
2007-2010:	2	5	5	1	0	1	2

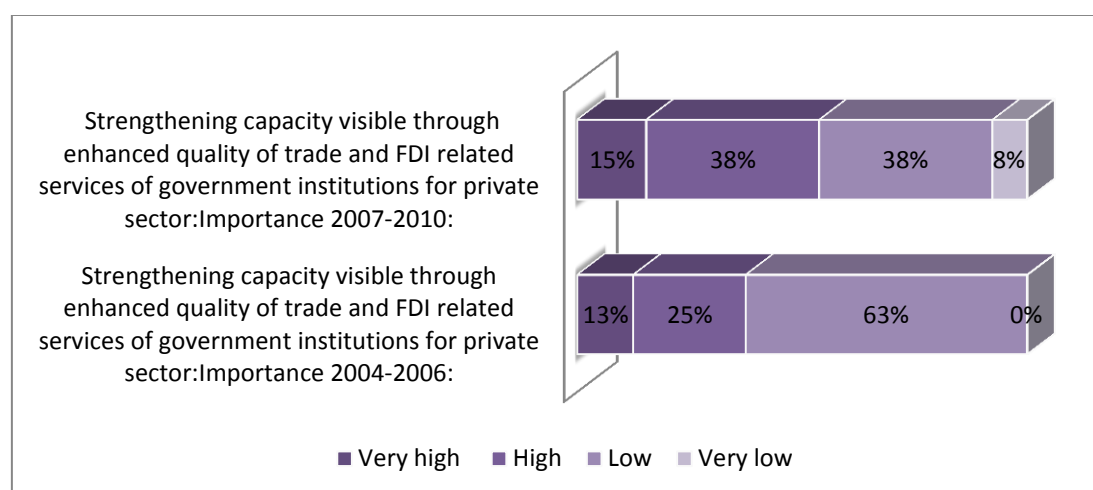


Figure 45: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	3	0	2	4	5	2
2007-2010:	0	4	2	2	3	3	2

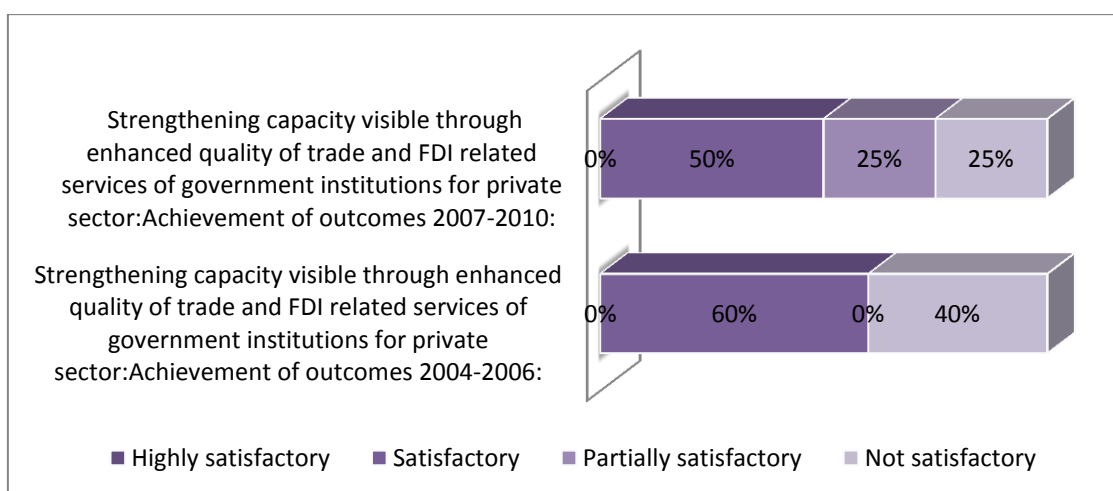


Table 67: Comments

Delegation	Comments
Paraguay	During 2007-2010 the AIEP project was identified though not implemented. This project has got a component ""Business Facility"" as well as a component to support private sector in questions related to quality and innovation.
Mozambique	TRA assistance which started in 2008 with mixed results.
Burkina Faso	Maison d'entreprise.

2.9.1.6. Approximation to EU standards (technical standards, sanitary and phytosanitary standards, etc.)

There is a clear increase in the importance of approximation to EU standards (technical standards, sanitary and phytosanitary standards) from the first to the second period. However for both periods, the EUDs assess the importance of this area as quite high.

Regarding the achievements of outcomes, the picture is not so clear. There are four EUDs rating achievements as „Satisfactory” for the period of 2004 to 2006. The same number gives this rating for the second period, additionally one EUD is rating achievements as “Very Satisfactory”. However, five EUDs give the rating “Partially satisfactory” for the second period.

Figure 46: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	1	5	2	1	1	4	2
2007-2010:	3	8	1	0	1	1	2

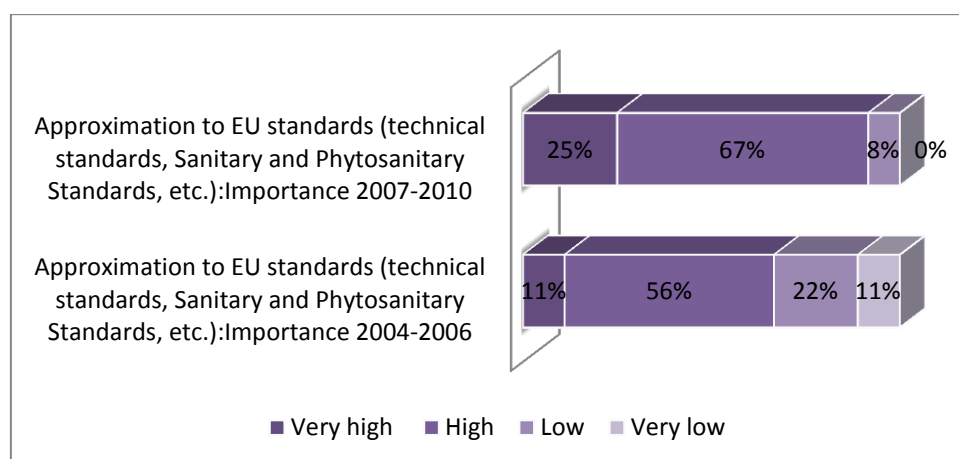


Figure 47: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	4	0	2	3	5	2
2007-2010:	1	4	5	0	2	2	2

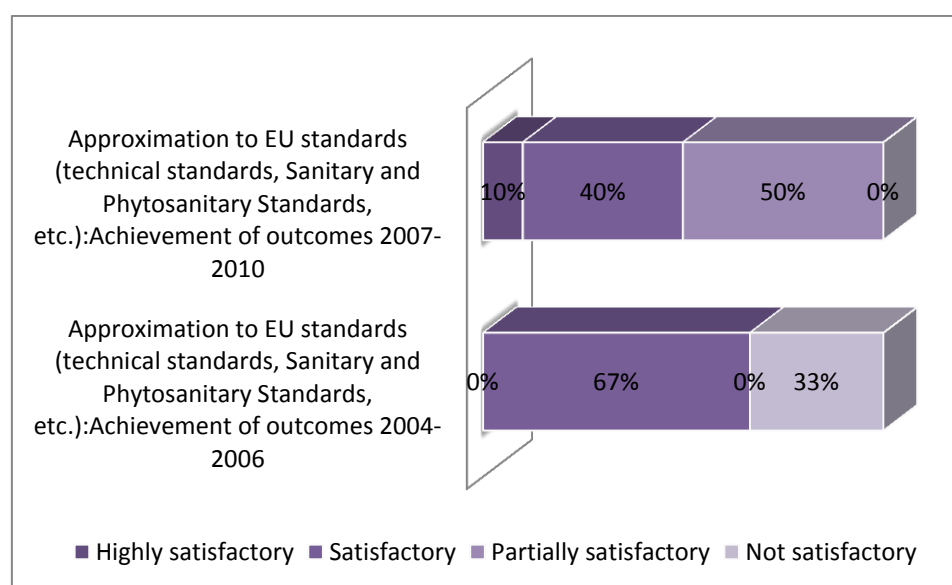


Table 68: Comments:

Delegation	Comments
Paraguay	The FOCOSEP project reached good results in the harmonization of various technical standards. The MERCOSUR SPS project had also good results in its first phase.
Tunisia	Various actions: twinning (ACAA) projects,(PMI,PCAM), BS (business environment).
Burkina Faso	Quality programme with UEMOA.

2.9.1.7. Creation of employment and/or securing of employment

Importance given to the creation of employment and/or securing of employment seems to be higher for the second period. However, there are only three EUDs giving a judgemental statement for the first period. For both periods, no EUD rates the importance as “very high”.

Further there has been no distinct shift in the assessments of the achievement of outcomes, but again, only three EUDs give a judgemental answer for the first period.

Figure 48: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	0	1	2	0	4	5	4
2007-2010:	0	4	2	1	3	2	4

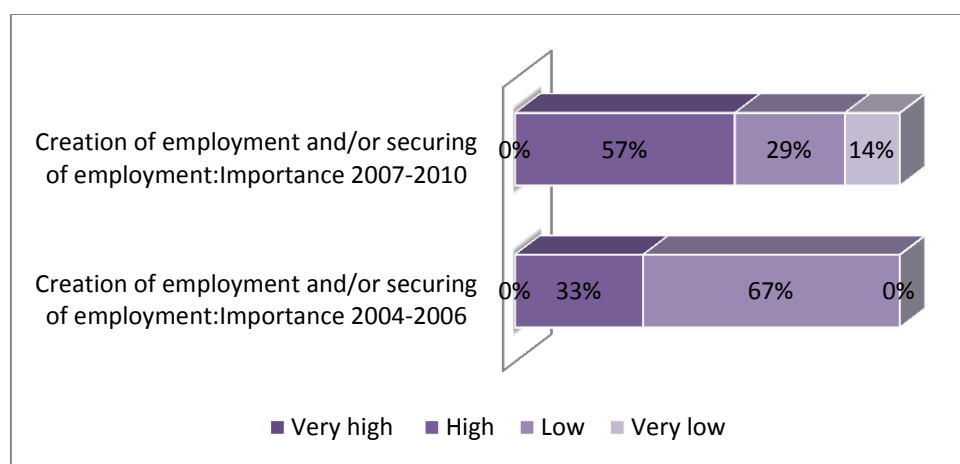


Figure 49: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	1	0	1	1	4	5	4
2007-2010:	0	2	3	1	4	2	4

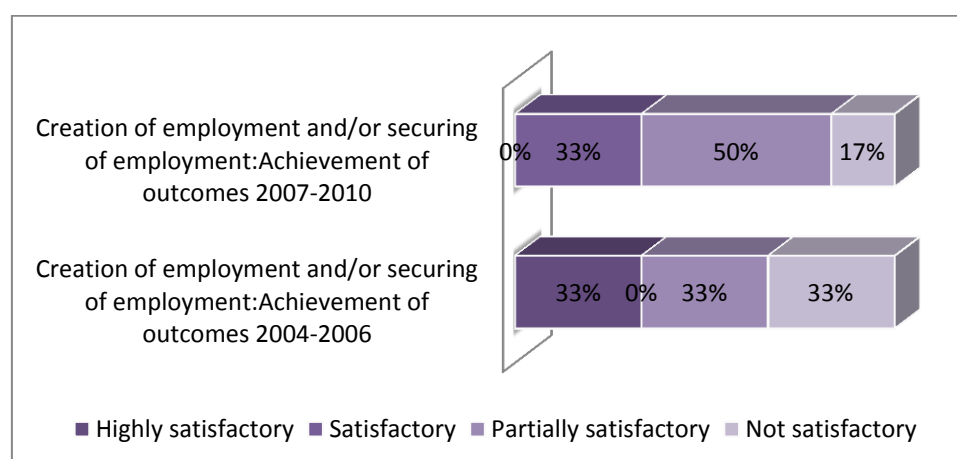


Table 69: Comments:

Delegation	Comments
Bangladesh	Over 3 million people directly employed in RMG sector.

Mozambique	Question not clear.
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2.9.1.8. Enhancement of ILO Standards (such as decent labour, wage, equality of opportunity, occupational safety and health)

Regarding the assessment of the importance of the enhancement of ILO Standards (such as decent labour, wage, equality of opportunity, occupational safety and health), only two EUDs give an answer for the first period. And there is a rather high number of five EUDs stating that this issue is “Not Relevant” for both periods.

There seems to be a slightly positive trend in the assessment of the achievements of outcomes concerning the enhancement of ILO Standards, as for the first period the EUDs state the achievements as “not satisfactory”. But again only two EUDs give evaluative answers for the first period and five resp. six EUDs give the answer “Not relevant”.

Figure 50: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	0	0	1	1	5	6	3
2007-2010:	0	1	3	3	5	1	3

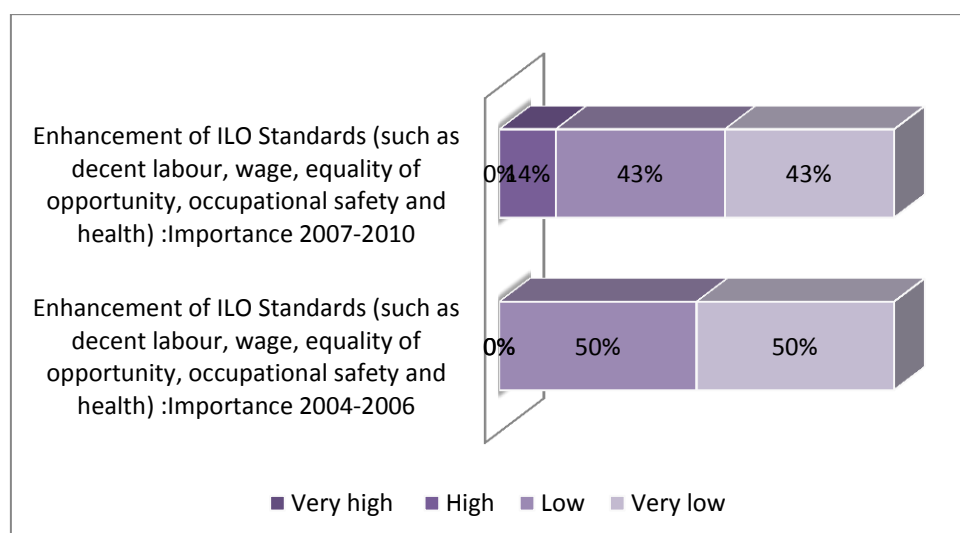
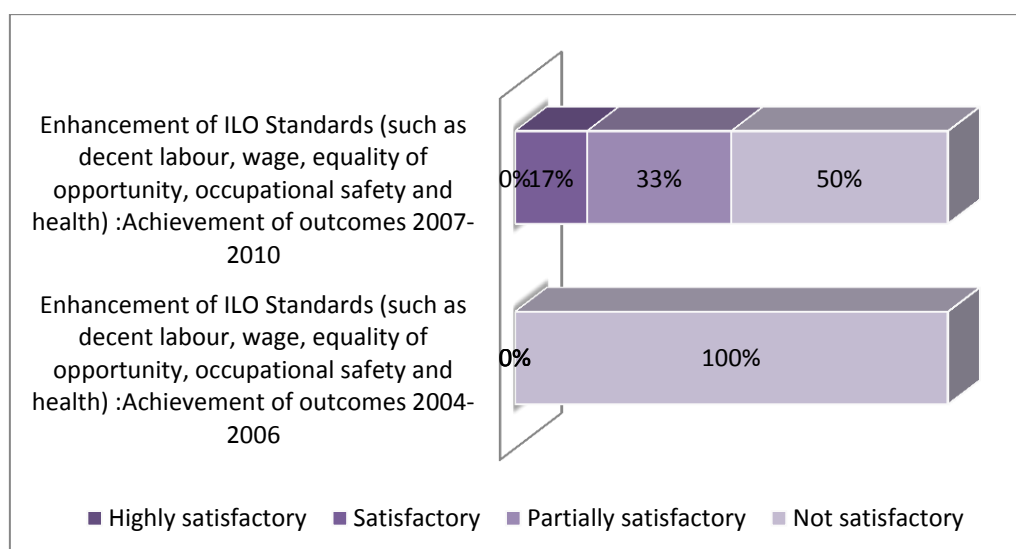


Figure 51: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	0	0	2	5	6	3
2007-2010:	0	1	2	3	6	1	3

Table 70: *Comments:*

Delegation	Comments
Mozambique	No support given on this issue.

2.9.1.9. Improving access to both domestic and foreign trade-related finance (e.g. loans, letter of credits, export guarantees, trade credit insurance, export factoring)

There is a slight shift towards increased importance of improving access to both domestic and foreign trade-related finance (e.g. loans, letter of credit, export guarantees, trade credit insurance, export factoring). For the first period, no EUD assesses the importance as “Very High”, and just one as “High”. For the second period, one delegation assesses it as “Very High” and one as “High”. Nevertheless there is also an increase in number of EUDs considering the importance as “Low” and “very low”, from four EUDs for the first to five for the second period.

Regarding the achievements related to access to trade-related finance, the EUDs rate them quite negatively for both periods, however there are only few judgemental answers. For the first period, one EUD rates them as “Partially Satisfactory” and one as “Not Satisfactory” and for the next period, again one Delegation rates the achievements as “Partially Satisfactory” and two Delegations as “Not Satisfactory”.

Figure 52: *Importance: 2004-2006 & 2007 – 2010*

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	0	1	1	3	2	5	4
2007-2010:	1	1	3	2	4	1	4

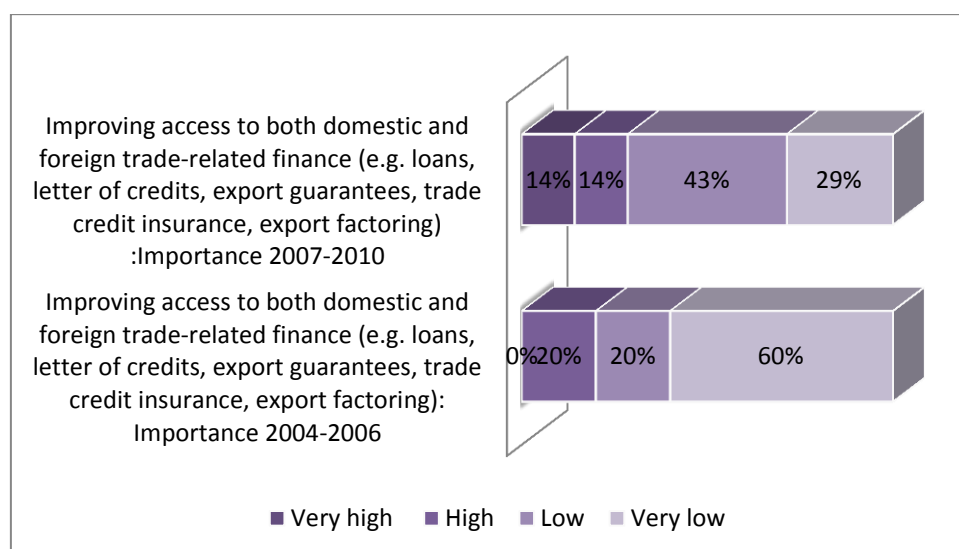


Figure 53: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	0	1	1	3	6	5
2007-2010:	0	0	1	2	3	5	5

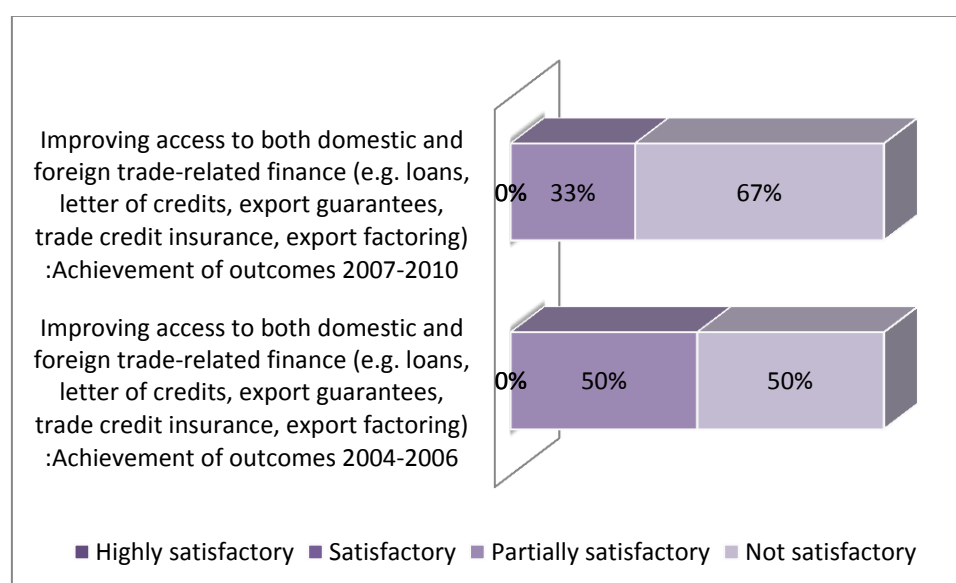


Table 71: Comment:

Delegation	Comments
Mozambique	No support given.
Tunisia	Improving access to finance did not focus on trade-related finance, bit only on microfinance, capital risk etc.

2.9.1.10. Improving competitiveness of export oriented sectors through targeted support at enterprise level/ level of intermediary organisations (such as export promotion agencies/ sector associations)

Improving competitiveness of export oriented sectors seems to be an important area in the eyes of the EUDs which is even more important in the second period compared to the first. Almost 80% rank the importance of this issue as high for the first period. For the second period, around 70% rank it as “high” and almost 10% rank its importance as “very high”. It is also noticeable that a high number of EUDs gave a judgemental answer to this question.

The majority of EUDs assesses the achievement in this area as “satisfactory” for the first period. For the second period, the assessment is less favourable.

Figure 54: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	0	7	2	0	1	4	2
2007-2010:	1	9	3	0	1	0	2

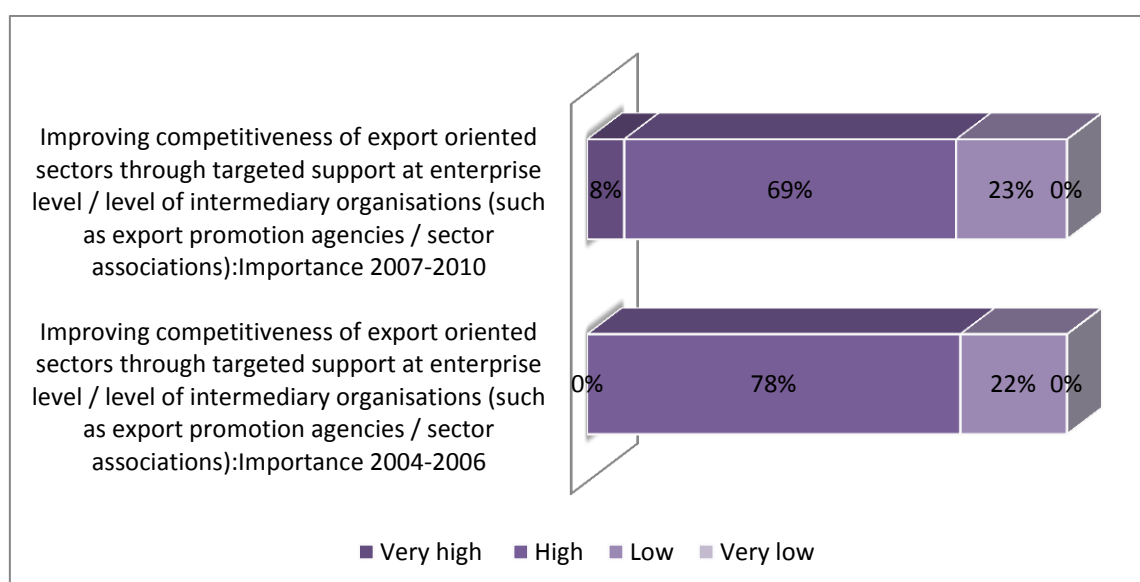


Figure 55: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	4	2	1	1	6	2
2007-2010:	1	2	7	1	2	1	2

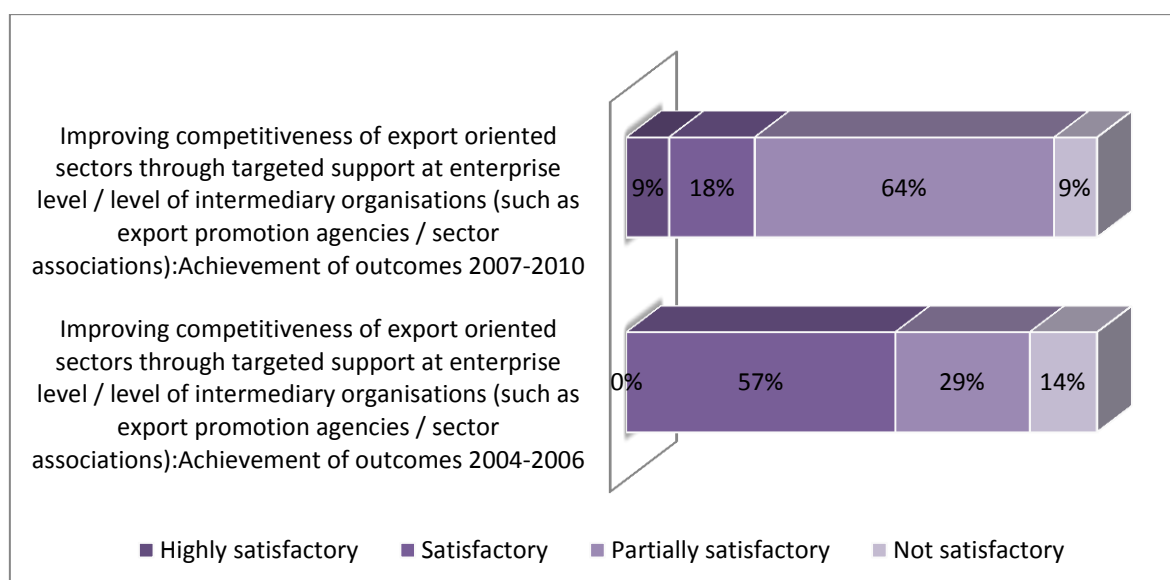


Table 72: Comments:

Delegation	Comments
Paraguay	All of our TRA projects (FOCOSEP, AIEP and AIESRP) aim at diversifying and strengthening export. Support is given to intermediary organisations.
Mozambique	From 2004 to 2006 there was a support from CDE but not sure about the outcomes.
Tunisia	Two main PSD programmes (PMI and PCAM) aimed at improving SME competitiveness, special focus on exports).

2.9.1.11. Improving competitiveness of export oriented sectors through improved enabling environment at macro level

The importance of improving competitiveness of export oriented sectors through improved enabling environment at macro level is assessed as being slightly more important in the second period than in the first period. All in all, the importance of this area is rather high.

The EUDs rate the achievements of the first period more positively than those of the second period. For both periods, no EUD rates the achievements as “highly satisfactory”.

Figure 56: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	1	5	0	3	1	4	2
2007-2010:	2	6	2	2	1	1	2

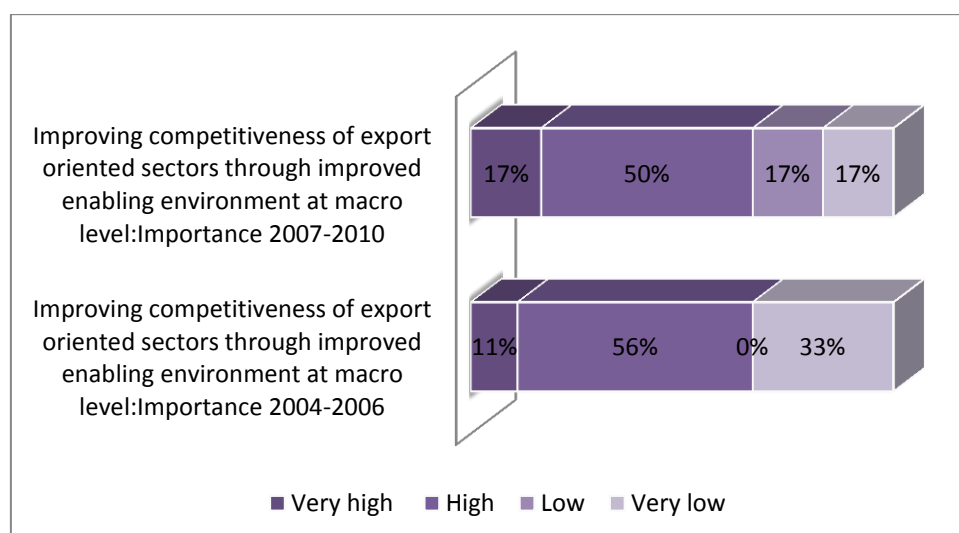


Figure 57: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	4	1	1	2	5	3
2007-2010:	0	3	4	0	3	3	3

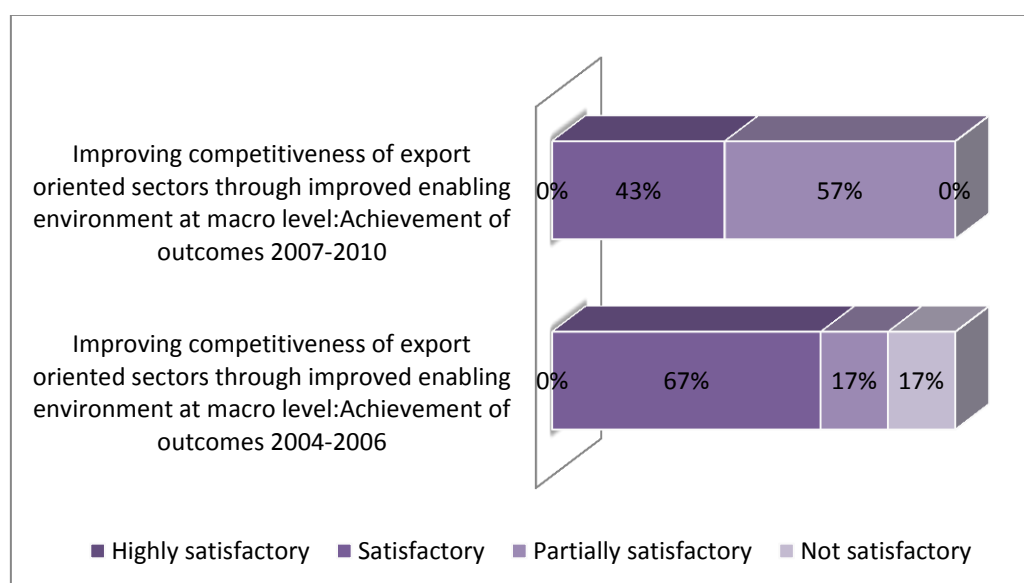


Table 73: Comments:

Delegation	Comments
Tunisia	Included in General Budget Support programmes (business environment component).

2.9.1.12. Improving the quality infrastructure (such as technical centres, conformity assessment bodies)

There is a positive trend in the assessment of the importance of improving quality infrastructure (such as technical centres, conformity assessment bodies). For the first period, half of the EUDs rates the importance as “low” or “very low” and the other half as “high” or “very high”. For the second period, the

majority rates the importance as “high” or “very high”, and no EUD rates it as “very low”. Furthermore, no EUD states that this issue is “not relevant”.

The picture is less clear regarding the assessment of achievements. Compared to the first period, the shares of EUDs assessing the achievements as “Highly Satisfactory” or as “Not Satisfactory” both decrease, while the shares of EUDs assessing the achievements as “Satisfactory” or only “Partly Satisfactory” both increase.

Figure 58: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	2	3	3	2	0	4	2
2007-2010:	3	6	4	0	0	1	2

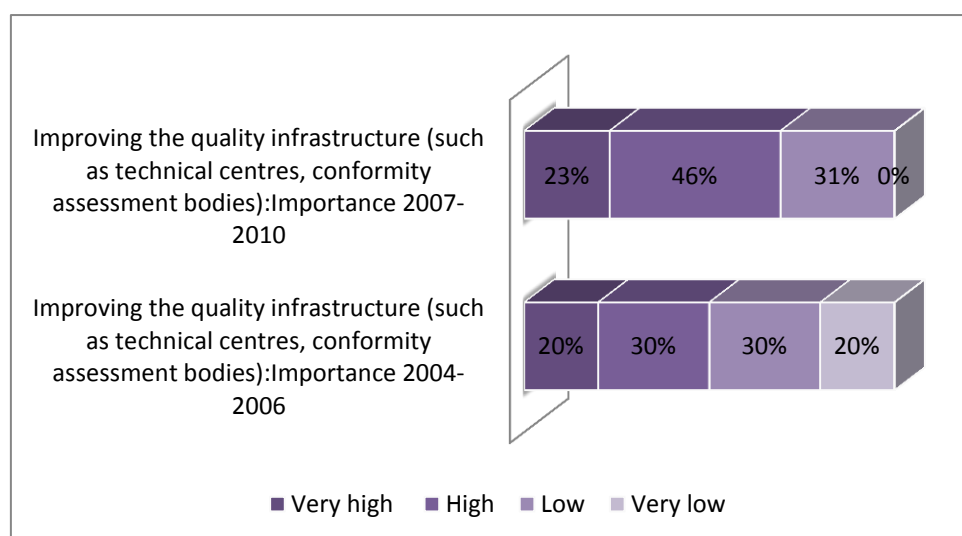


Figure 59: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	1	1	1	2	2	6	3
2007-2010:	1	3	5	1	1	2	3

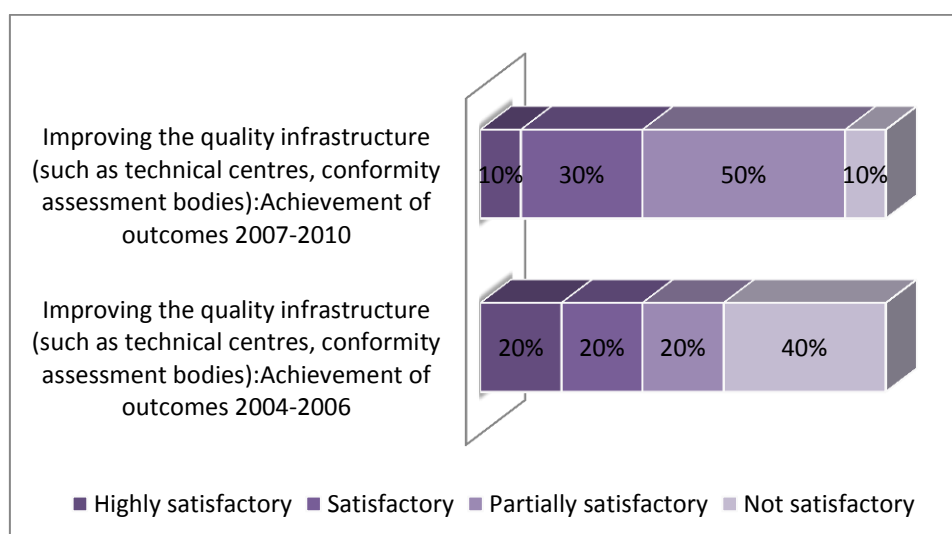


Table 74: Comments:

Delegation	Comments
Paraguay	The laboratory of the National Animal Health Service (SENACSA) received equipment.
Tunisia	Various actions: twinning (ACAA) projects,(PMI,PCAM).
Burkina Faso	Quality programme with UEMOA.

2.9.1.13.Improving trade policy dialogue between the EU/ Commission and the government

From the first to the second period, there is a very mild positive trend regarding the importance of trade policy dialogue between the EU/ Commission and the government, which is all in all rather high.

Concerning the achievements of outcomes, the picture is less clear, but pointing to a more negative assessment of achievements for the second period. For the first period, the share of EUDs rating the achievements as “Highly Satisfactory” and “Satisfactory” is higher than for the second period.

Figure 60: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	1	5	1	1	1	4	3
2007-2010:	3	6	3	0	1	0	3

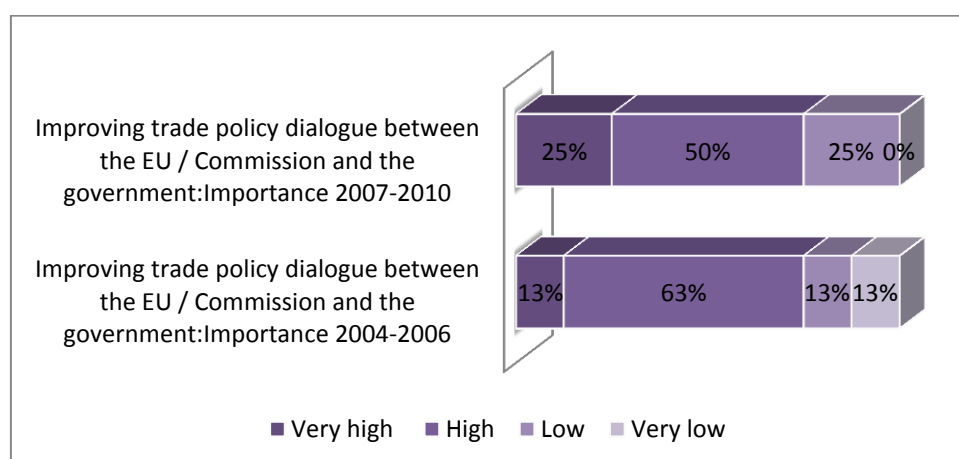


Figure 61: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	2	3	0	2	1	5	3
2007-2010:	3	3	4	1	1	1	3

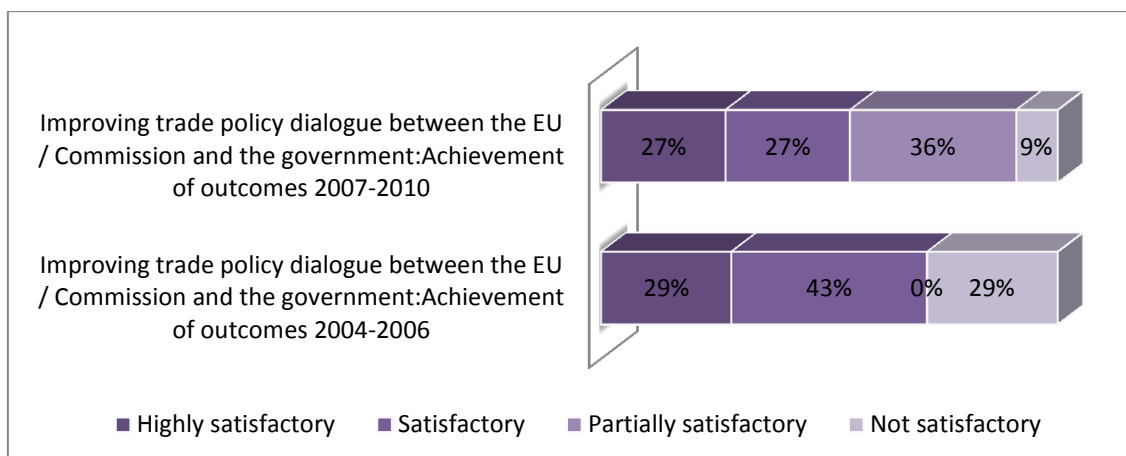


Table 75: Comments:

Delegation	Comments
Bangladesh	EU funded Bangladesh Trade Support Programme started in 2007.
Paraguay	From 2009 onwards, Paraguay is eligible to SGP+. They were also allowed to export annually 1000 tons of meat on the Hilton Quota. EU-MERCOSUR negotiations were relaunched in 2010. All these factors, alongside our projects in the field, contributed to a better policy dialogue.
Burkina Faso	Focus on dialogue with WA region.

2.9.1.14. Promoting Foreign Direct Investment

There is almost no change between the two periods regarding the assessment of importance of promoting foreign direct investment. The shares of each rating (“High”, “Low”, and “Very Low”) almost stay the same. No EUD rates the importance as “very high”, and all in all the importance is rather low.

In contrast there is a positive trend in the assessment of achievements, although achievements are generally assessed not very positively.

Figure 62: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	0	3	3	2	1	4	3
2007-2010:	0	4	5	3	1	0	3

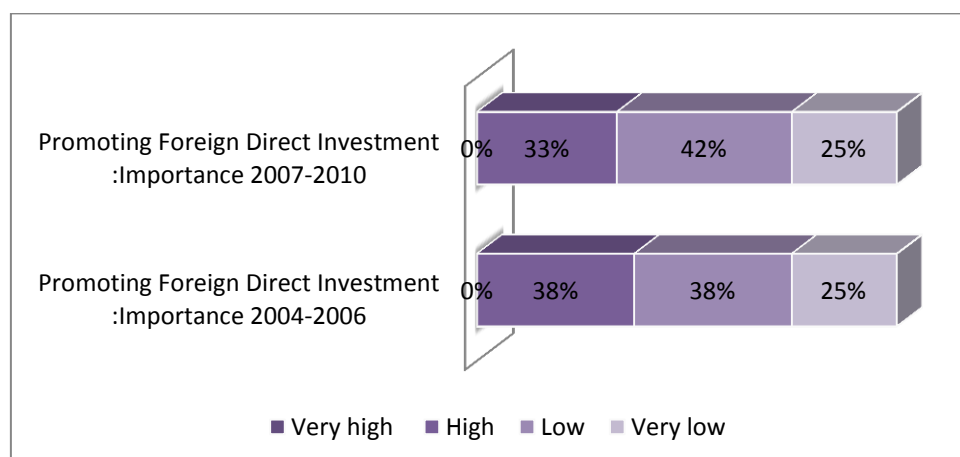


Figure 63: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	1	1	2	4	5	3
2007-2010:	0	2	4	1	4	2	3

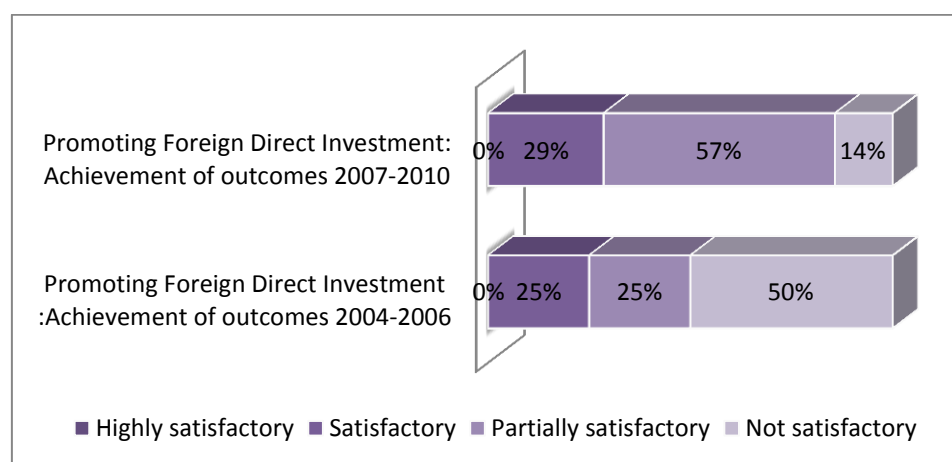


Table 76: Comments:

Delegation	Comments
Mozambique	Support was given to the development of the competition law of Mozambique which was adopted
Tunisia	Twinning with FIPA (Foreign investment promotion agency)

2.9.1.15.Reducing trade-related transaction costs through enhanced operational environment (such as improved customs procedures and systems)

There is a clearly positive trend regarding the importance of reducing trade-related transaction costs through enhanced operational environment (such as improved customs procedures and systems). While for the first analysed period (2004 to 2006) half of the Delegations consider the importance as “high”, 62% do so for the second period and additionally 23% consider its importance as “very high”.

When it comes to achievements in this field, the majority of EUDs consider them as “highly satisfactory” or “satisfactory” for both periods. However, 40% of EUDs state that the achievements have been “not satisfactory” for the first period.

Figure 64: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	0	5	3	2	0	4	2
2007-2010:	3	8	1	1	0	1	2

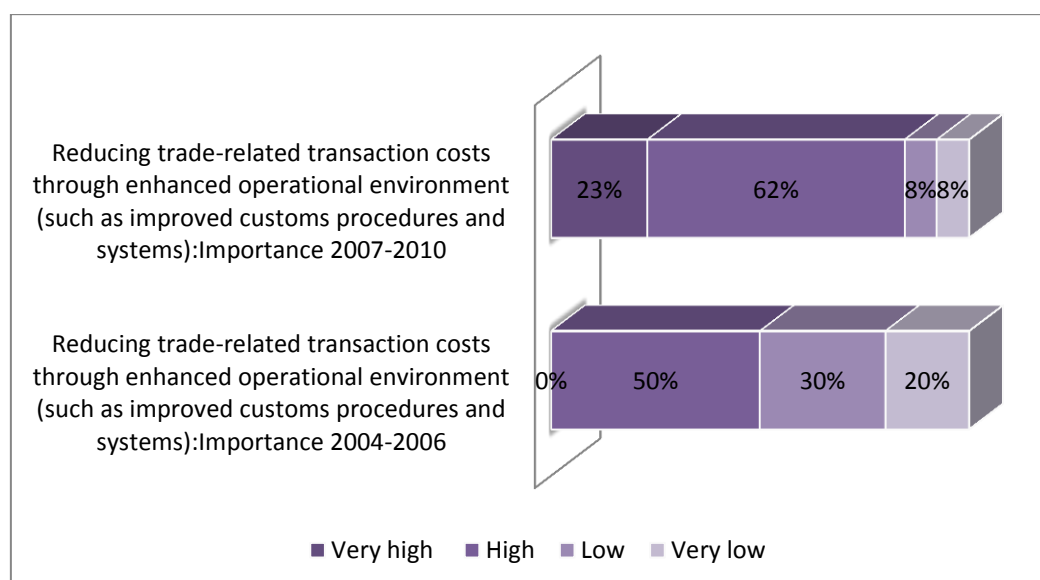


Figure 65: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	1	2	0	2	3	6	2
2007-2010:	1	4	3	1	3	2	2

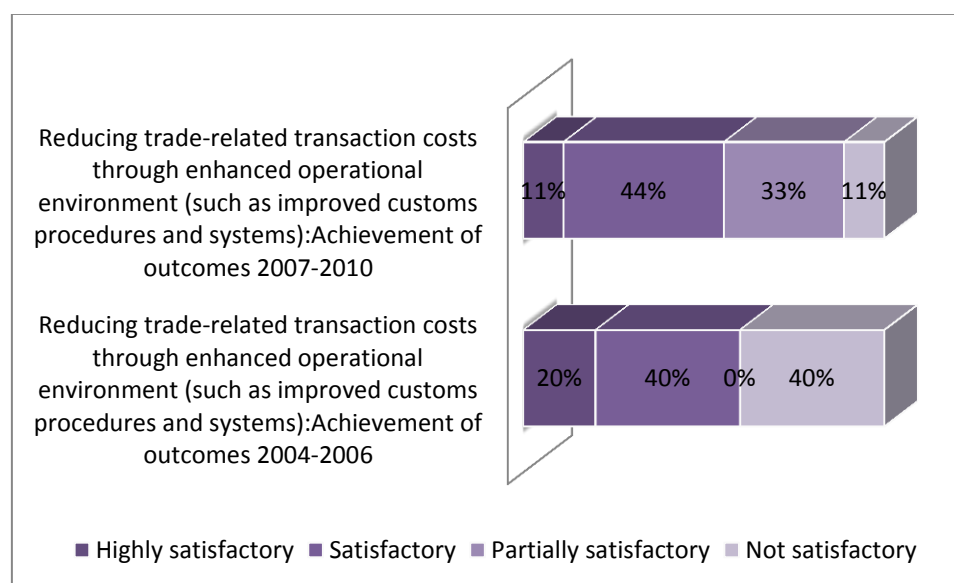


Table 77: Comments:

Delegation	Comments
Tunisia	Under the previous regime, there was no possibility to support customs reform.

2.9.1.16.Reducing trade-related transaction costs through legal and regulatory adjustments (such as the standardization and harmonization of documents, enhanced licensing for exporting and importing goods)

As the graph shows, the importance of reducing trade-related transaction costs through legal and regulatory adjustments seems to be rather high for the the second period, compared to the first.

Furthermore there is a clear positive trend in the assessment of the achievement of outcomes. While for the first period, half of the EUDs assesses the achievements as “not satisfactory” or “partially satisfactory” and half as “satisfactory” or “highly satisfactory”, for the second period the majority assesses the achievements as “satisfactory” or “highly satisfactory”, an no Delegation rates them as “not satisfactory”.

Figure 66: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	0	4	3	2	0	5	2
2007-2010:	1	8	4	0	0	1	2

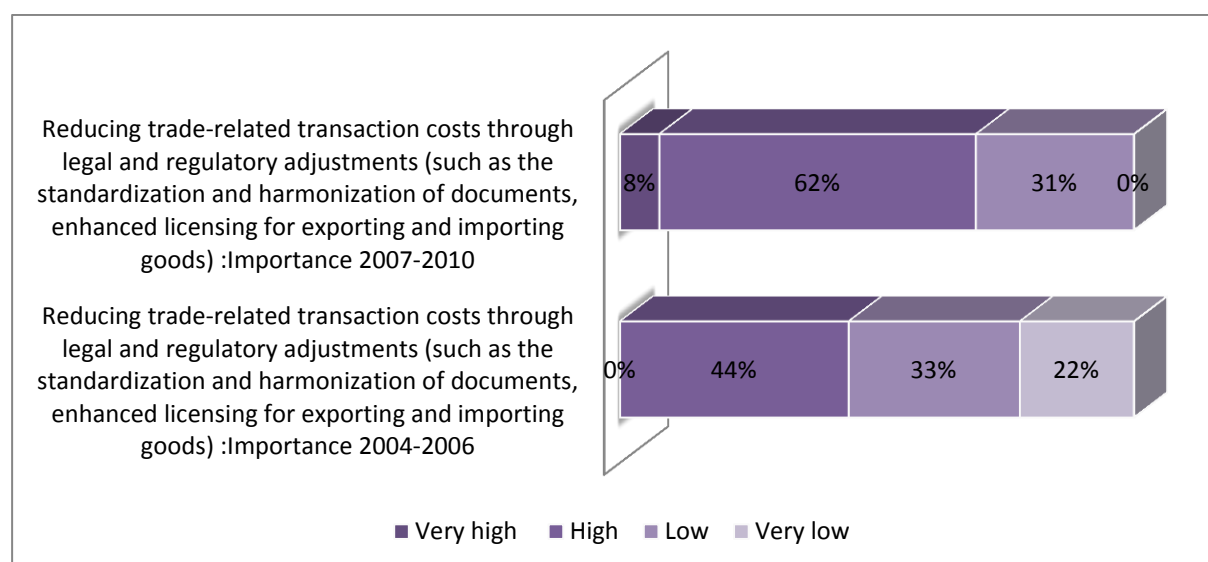


Figure 67: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	2	1	1	3	7	2
2007-2010:	0	6	4	0	2	2	2

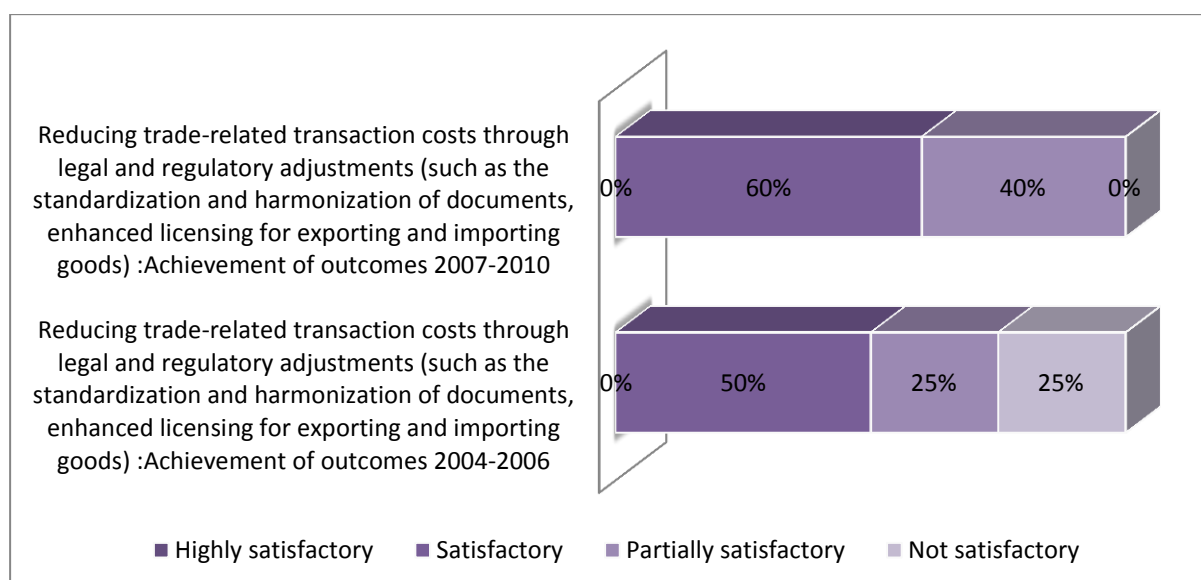


Table 78: Comments:

Delegation	Comments
Paraguay	During 2007-2010 the AIEP project was identified though not implemented. This project has got a component ""Business Facility"" orientated towards facilitating export.
Tunisia	Various actions: twinning (ACAA) projects,(PMI,PCAM), BS (business environment).

2.9.1.17.Strengthening the participation of other non-state actors (e.g. NGOs, other advocacy groups, trade unions) in consultations pertaining to policy formulation and implementation process

Strengthening the participation of non-state actors (e.g. NGOs, other advocacy groups, trade unions) in consultations pertaining to the policy formulation and implementation process does not seem to be an important issue.

The same holds true for achievements in this area. The EUDs rate them as rather low, but depict a positive trend from the first to the second period.

Figure 68: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	0	2	1	5	0	5	3
2007-2010:	0	2	7	4	0	0	3

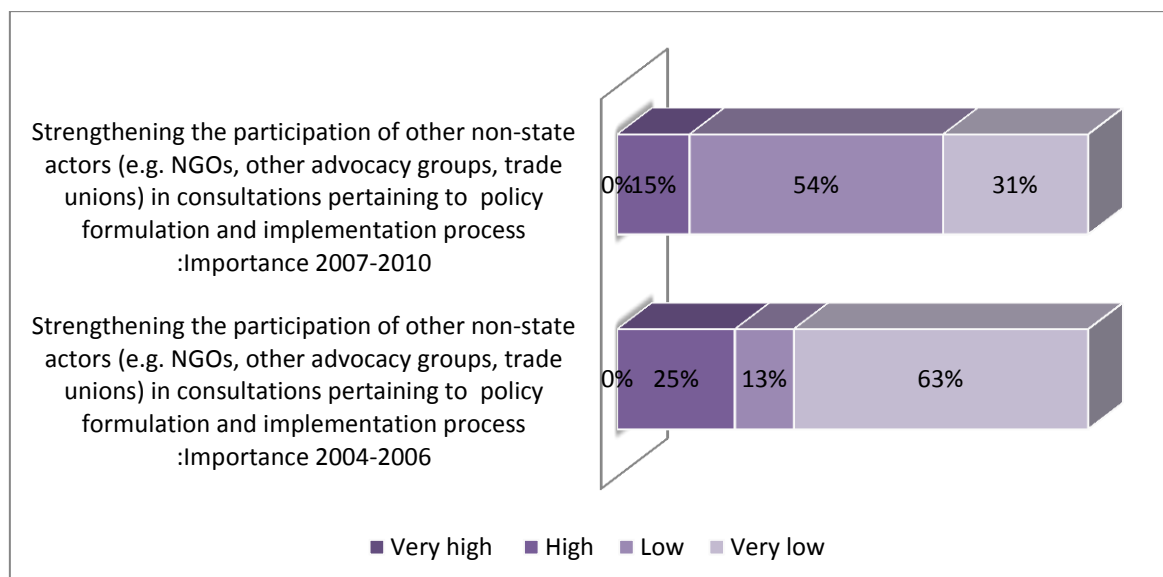
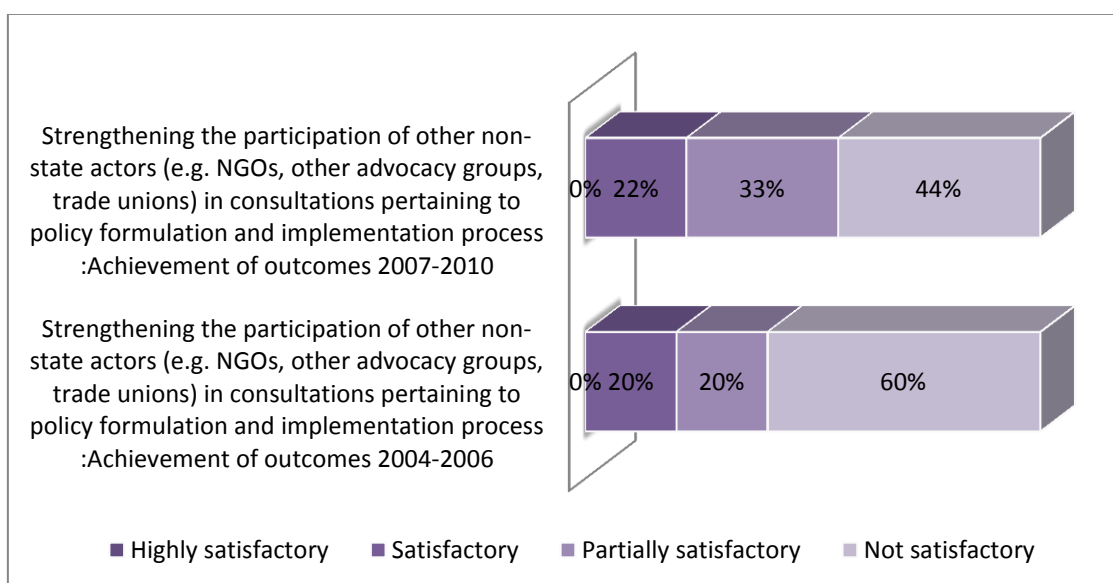


Figure 69: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	1	1	3	2	6	3
2007-2010:	0	2	3	4	3	1	3



2.9.1.18. Strengthening the participation of the private sector (e.g. enterprises, sector associations) in consultations pertaining to policy formulation and implementation process

As can be seen in the graph below, there is a positive trend regarding the importance of strengthening the participation of the private sector in consultations pertaining to policy formulation and implementation process. For both periods no EUD considers the importance as “very high” but for the second period, the majority of EUDs consider it as “high”.

Regarding the assessment of achievement, there is a weak trend pointing towards a more negative assessment for the second period as the share of EUDs rating the achievements as “Partially satisfactory” increases from the first to the second period. All in all the achievements are rated not very positively.

Figure 70: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	0	3	2	3	0	5	3
2007-2010:	0	7	4	2	0	0	3

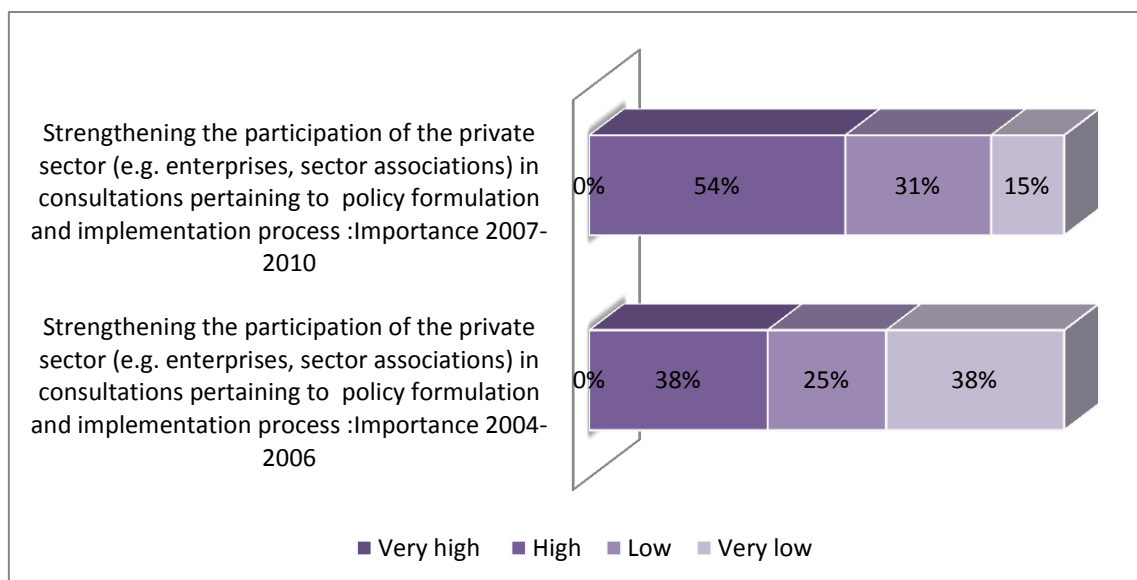


Figure 71: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	2	2	2	1	7	2
2007-2010:	0	3	5	4	1	1	2

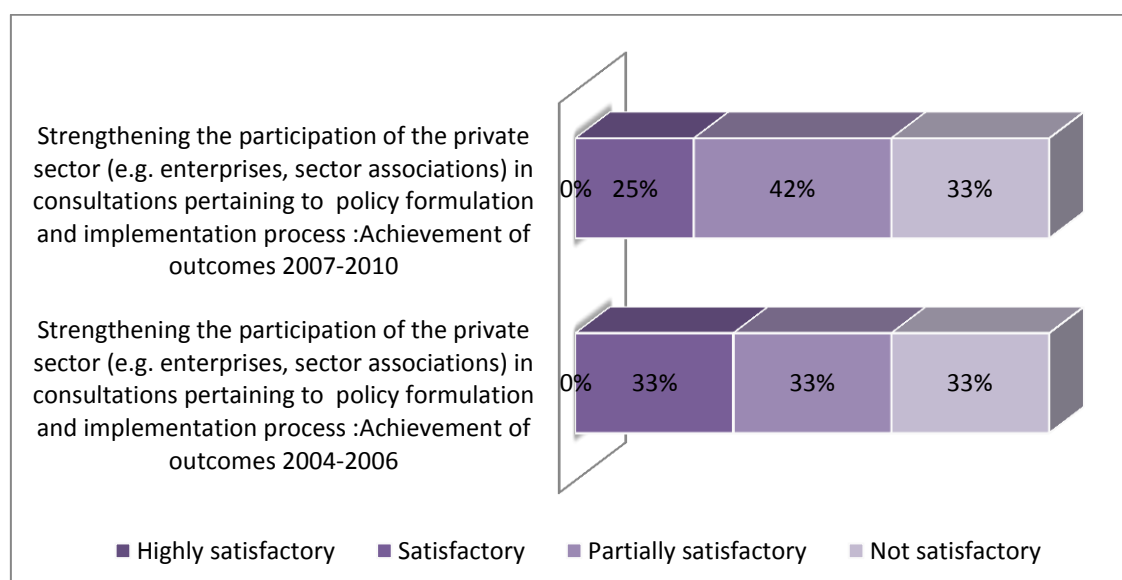


Table 79: Comments:

Delegation	Comments
Paraguay	Private sector is represented in steering committees.
Tunisia	Related to the participation of UTICA (patronale).

2.9.1.19. Implementing regional agreements at national level (related to trade of goods and services, standards, customs, investments, capital flows, etc.)

As can be seen in the graph below, importance of implementation of regional agreements at national level (related to trade of goods and services, standards, customs, investments, capital flows, etc.) is rather ambiguous for both periods.

There is a slight positive trend regarding the assessment of achievements, although in general the achievements are assessed rather negatively, and there are only three EUDs giving a judgemental answer for the first period.

Figure 72: Importance: 2004-2006 & 2007 – 2010

	Very high	High	Low	Very low	Not relevant	Not sure	No reply
2004-2006:	0	2	1	1	2	7	3
2007-2010:	1	4	1	4	2	1	3

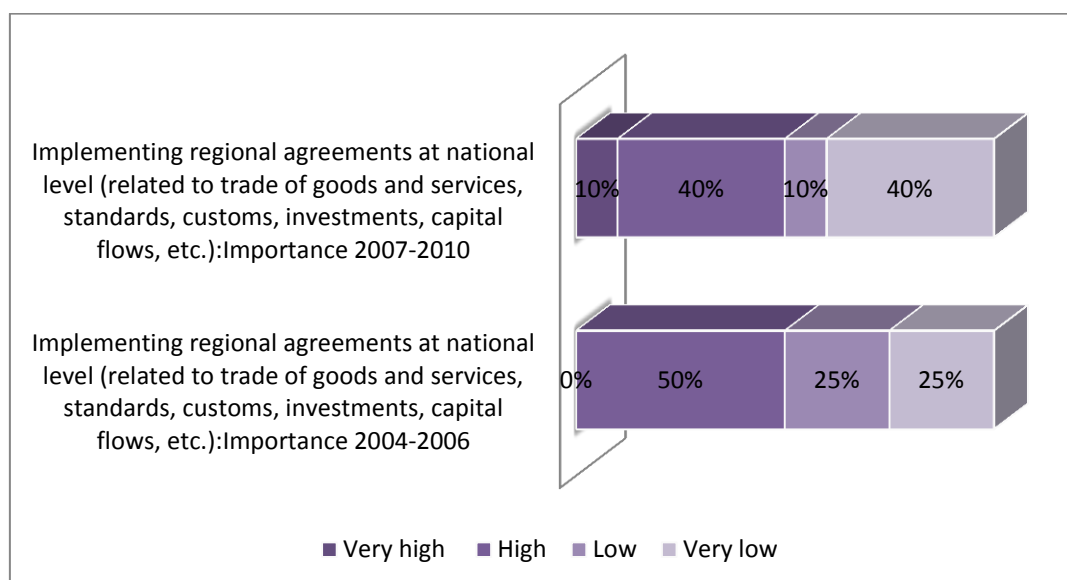


Figure 73: Achievements: 2004 – 2006 & 2007 – 2010

	Highly satisfactory	Satisfactory	Partially satisfactory	Not satisfactory	Not relevant	Not sure	No reply
2004-2006:	0	0	2	1	3	7	3
2007-2010:	0	1	5	1	4	2	3

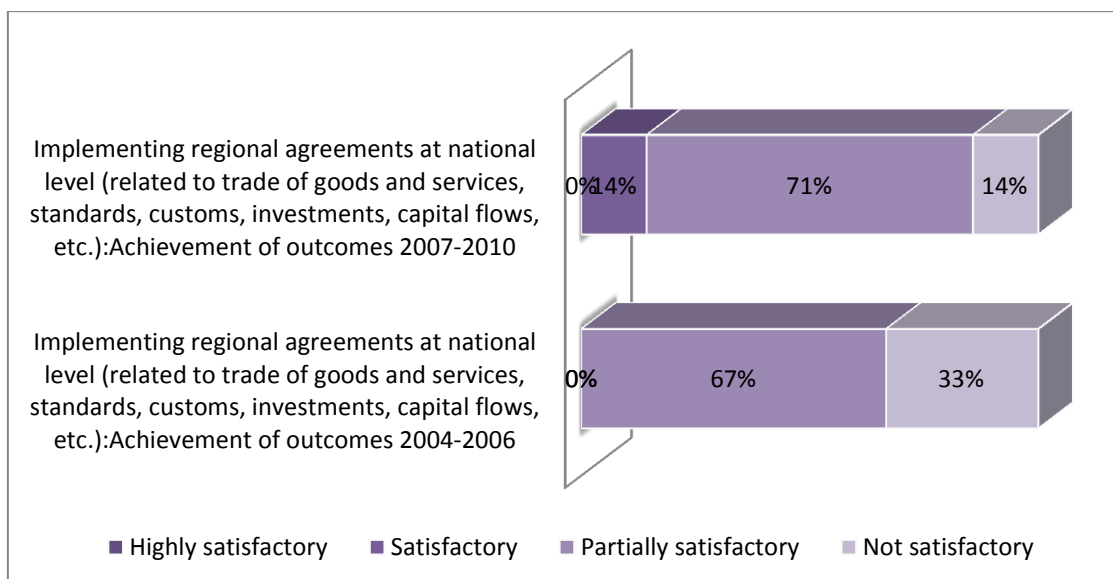


Table 80: Comments:

Delegation	Comments
Paraguay	MERCOSUR projects: SPS and ECONORMAS.

Annex 8

Country selection for field phase – Overview (updated 03 June 2012)

Country	Number of Decisions	ACP	Non-ACP	Field Study Country/Regions	Aft Category				Modality			Focus on EQ...*					
					1	2	5	6	P	SBS/SPSP	GBS	4	5	6	7	8	9
Cameroon	4	x		Yes	x	x	x	x	x	x		xx	x	xx		xx	x
COMESA	4	x		Yes	x	x		x	x	x			xx		xx	x	
Côte d'Ivoire	4	x		Yes	x	x			x	x				xx	xx		
Ghana	2	x		Yes		x			x		x	x	x	xx	x	xx	x
Zambia	2	x		Yes							x	x					xx
ASEAN	6		x	Yes	x	x			x				xx	xx	xx	x	
Bangladesh	4		x	Yes	x	x		x	x				xx	xx		xx	xx
Egypt	5		x	Yes	x	x		x	x			xx	xx			xx	x
Paraguay	1		x	Declined	x	x			x	x				xx	x	xx	
MERCOSUR	2		x	YES?	x	x		x					xx	xx	xx		
Uruguay	1		x	YES?		x			x							xx	xx
Field Phase Countries	35	5	6		8	10	1	5	10	6	2						
Burkina Faso	0	x		No	x										xx	xx	
Dominica	1	x		No		x			x				x			xx	x
El Salvador	2	x		No		x		x	x	x				x	xx	xx	x
Guyana	4	x		No		x		x	x	x					xx	x	
Mozambik	1	x		No	x	x	x		x	x		xx					x
Regional ACP	3	x		No													
Senegal	3	x		No	x	x	x		x			xx		xx		xx	
South Africa	2	x		No	x	x		x	x					x	xx	x	
Tanzania	1	x		No	x	x	x		x	x		xx			xx	x	
Cambodia	2		x	No	x	x		x	x			xx	xx		x		
China	2		x	No	x	x		x	x			xx		xx		xx	x
India	2		x	No	x	x		x	x				xx	xx		xx	
Indonesia	1		x	No	x	x		x					xx	xx		xx	x
Jordan	3		x	No	x	x		x	x			xx	xx	xx	x	x	
Russia	2		x	No									xx	xx		x	
Tunisia	1		x	No	x	x			x	x	x	x	xx		x	x	
Ukraine	5		x	No	x	x		x	x			xx	xx	xx		xx	x
Vietnam	2		x	No	x	x		x	x	x		xx	x		xx	xx	xx
Other Desk Phase Countries	37	9	9		13	15	3	10	14	12	2						
Total:	72	14	15	0	21	25	4	15	24	18	4						

Annex 9

*Thematic Global Evaluation of
European Commission's Support
to Trade-related Assistance in Third Countries*

Summary of Statistics on TRA
and
Macroeconomic Data related to Trade Development

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1 Introductory Remarks

This *Summary of Statistics on TRA and Macroeconomic Data* provides an overview on main quantitative aspects of Commission's support to TRA during the period 2004 – 2010. It follows the inventory undertaken with the evaluation as presented in the inception report. It also provides macroeconomic data related to trade development at global, regional and national level.

It aims to provide a background for the scope of TRA during the evaluations period and its characteristics in terms of technical focus, modalities, development of TRA.

2 Support to TRA

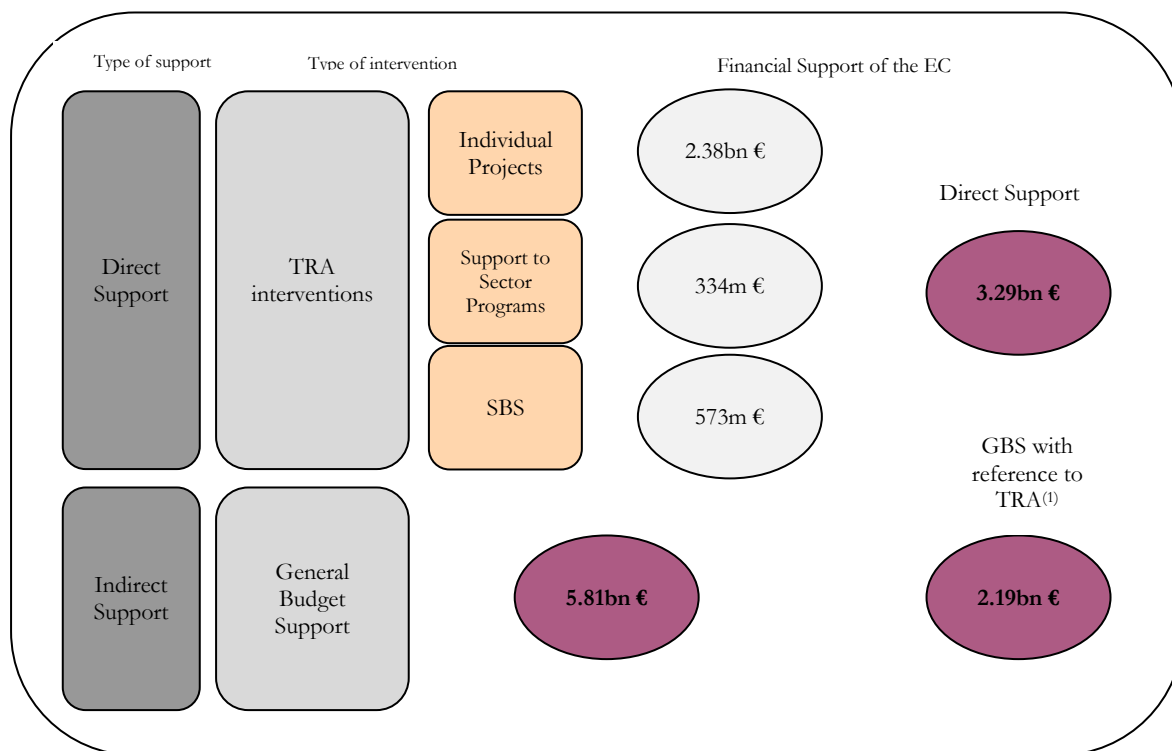
Direct and indirect EU-funded TRA support amounted to € 5.48 billion between 2004 and 2010. Modalities used for direct TRA support (€ 3.29 billion) were projects (€ 2.38 billion), SBS (€ 572 million) and SSP (€ 334 million). Channels used (contracted amounts) for direct TRA support were government (€ 967 million), private companies (€ 885 million), development agencies (€ 567 million), regional organisations (€ 482 million) NGOs (€ 306 million) and research institutions/universities (€ 45 million). The Commission's indirect support referring to TRA (i.e., GBS where TRA is referred to) amounted to € 2.19 billion over the period 2004-2010.

Although the evolution between 2004 and 2010 shows some year-to-year variation, a strong global upward trend of amounts planned for TRA can be observed. Between 2004 and 2010, the amounts evolved from an annual € 310 million to € 583 million, equalling to an increase of 88%, with a remarkable raise between 2006 and 2007 (with € 581 million funds committed in 2007).

Over the period 2004-2010 TRA was focussed on its two major pillars: trade policy and regulations (AfT Category 1) and trade development (AfT Category 2). Trade policy and regulations amounted to € 1.47 billion of AfT (45%) which is almost equal to trade development with € 1.45 billion (44%). AfT covering other trade-related needs amounted to € 278 million (8%), followed by Trade-related adjustment with € 93 million (3%).

In Figures xx – xx, overviews on financial contributions provided under Commission's support to TRA are provided as background information⁶.

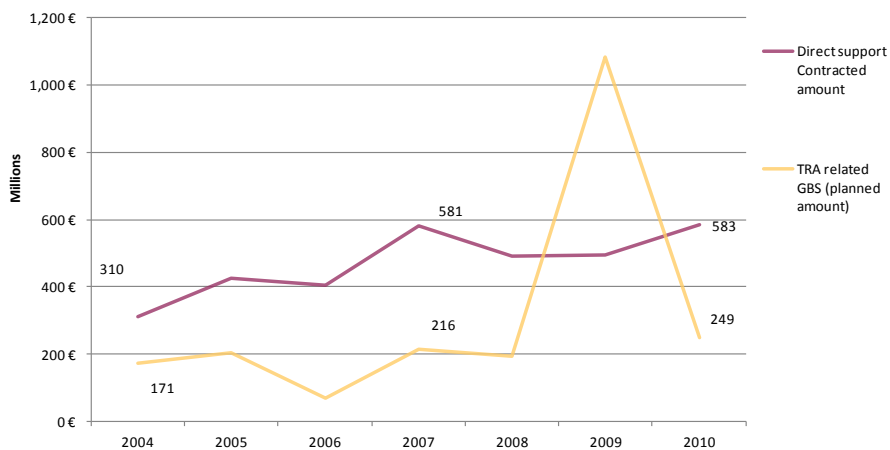
Figure xx: Global overview of Commission's support to TRA 2004 - 2010



Source: CRIS database; Particip GmbH inventory database

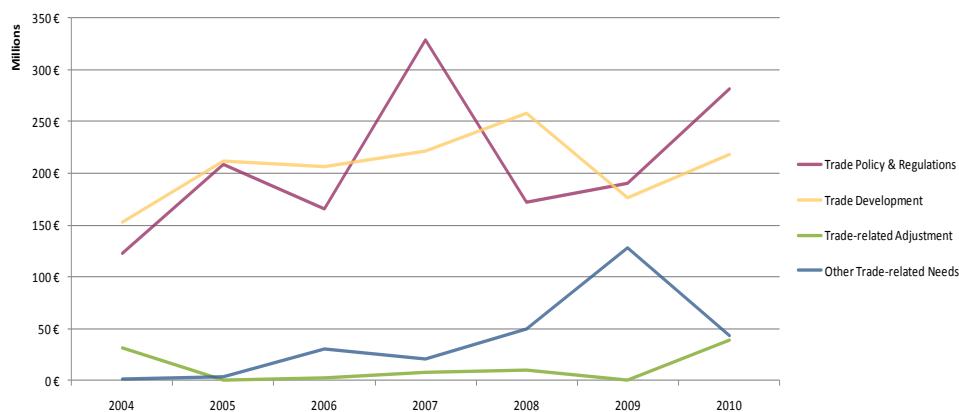
⁶ The inventory is presented in detail in the Inception Report attached to this Report in Volume IIc. Further findings and conclusions resulting from this assessment will be presented after finalization of the field phase with the Final Report.

Figure xx: Development of Commission's Direct and Indirect Support 2004 - 2010



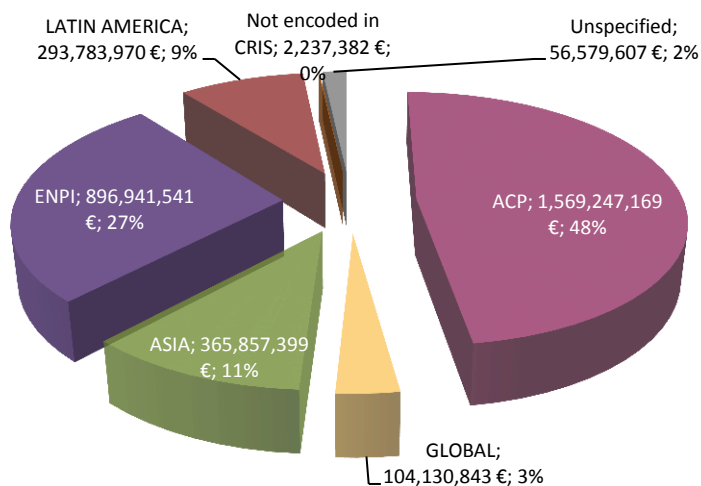
Source: CRIS database; Particip GmbH inventory database

Figure xx: Direct Commission's support to TRA: development of contracted amounts



Source: CRIS database; Particip GmbH inventory database

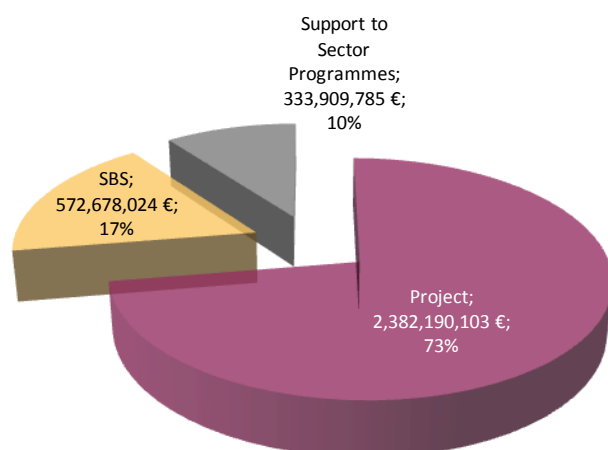
Figure xx: Direct Commission's support to TRA: Regional breakdown of contracted amounts (€ million) 2004-2010



Source: CRIS database; Particip GmbH inventory database

Figure 74

Direct Commission support to TRA: Breakdown of modalities, 2004-2010



Source: CRIS database; Particip GmbH inventory database

Table 81 Indirect Commission's support to TRA: Financial support to countries with TRA-related GBS (in €) 2004-2010)

Countries / Regions	Number of decisions per country / region	Sum of TRA related GBS in €	% of total amount of TRA related GBS
Africa	32	1,657,513,642 €	75.7%
Burundi	2	41,124,686 €	1.9%
Central African Republic	2	18,297,190 €	0.8%
Djibouti	1	5,762 €	0.0%
Ethiopia	1	58,073,702 €	2.7%
Gabon	1	3,904,901 €	0.2%
Ghana	4	287,135,608 €	13.1%
Guinea-Bissau	1	6,095,769 €	0.3%
Malawi	2	123,284,142 €	5.6%
Mauritius	5	216,454,531 €	9.9%
Mozambique	2	12,591,881 €	0.6%
Niger	3	91,364,516 €	4.2%
Sierra Leone	2	85,243,383 €	3.9%
Tanzania	2	304,659,328 €	13.9%
Uganda	1	81,020,801 €	3.7%
Zambia	3	328,257,436 €	15.0%
Asia	6	120,516,152 €	5.5%
Cambodia	1	22,571,105 €	1.0%
Laos	2	16,084,960 €	0.7%
Vietnam	3	81,860,087 €	3.8%
Caribbean	8	151,084,378 €	6.9%
Dominica	2	17,011,850 €	0.8%
Grenada	1	18,668,244 €	0.9%
Guyana	1	40,102,540 €	1.8%
Jamaica	3	65,012,438 €	3.0%
Saint Kitts & Nevis	1	10,289,305 €	0.5%
ENPI	5	222,231,155 €	10.2%
Morocco	1	55,628,433 €	2.6%
Tunisia	4	166,602,722 €	7.6%
Latin America	1	18,702,971 €	0.9%
Ecuador	1	18,702,971 €	0.9%
Pacific	1	15,005,000 €	0.7%
Solomon Islands	1	15,005,000 €	0.7%
Grand Total	53	2,185,053,298 €	100.0%

Source: CRIS database, Particip GmbH inventory database

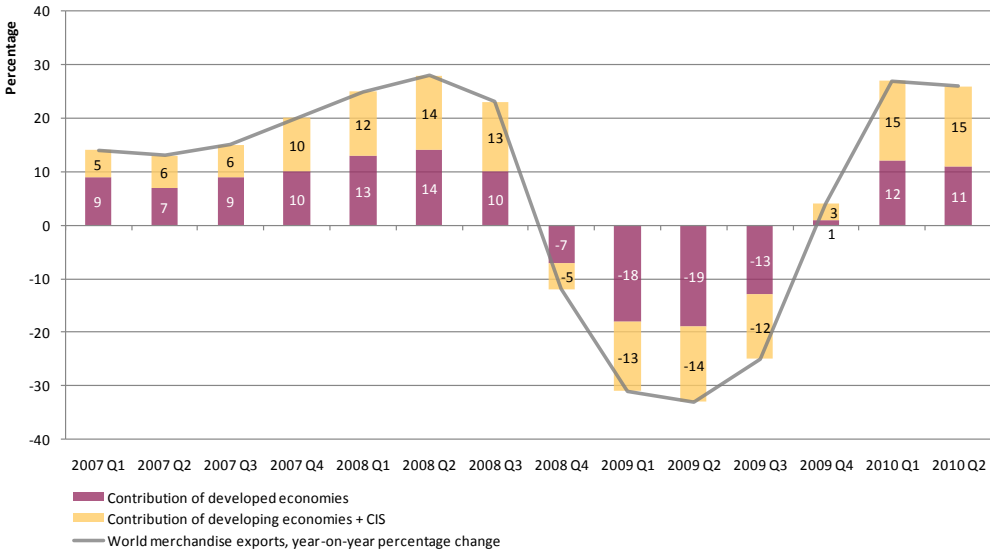
3 Global trends in Trade and Investments

The international policy framework shapes the nature of trading opportunities and limitations for integrating developing countries into the global economy. Many developing countries have managed to benefit from the trading and investment opportunities offered, whereas others, in particular the least developed countries still face significant challenges breaking into the global market.

Developing countries become the main contributors to trade growth

Trade statistics confirm that over the recent years, developing countries have been important contributors to trade growth at a global scale now often superseding developed countries⁷.

Figure 75 Contributions to year-on-year growth in world merchandise export, 2007 Q1 - 2010 Q2



Note: Due to scarce data, Africa and Middle East regional totals are underrepresented by about 5% and 15% respectively.

Source: WTO Secretariat estimates based on data compiled from IMF International Financial Statistics; Eurostat Comext Database; Global Trade Atlas and National Statistics

World exports grew annually by nearly 6% on average between 2000 and 2007, before slowing to 2% in 2008 and then falling sharply in 2009 in the wake of the global financial crisis. In 2010, world trade volume bounced back strongly and by July it had recovered roughly to its level of July 2008 and was close to its pre-crisis peak in April of that year. However, the pace of global recovery has slowed down in 2011, and world GDP is expected to grow by 3.1%. As in 2010, growth of output continues to display significant differences between developed and developing countries. Annual GDP growth in developing countries remains much higher than in developed countries.

In 2001 world merchandise trade had declined due to the bursting of the dot.com bubble and the impact of the 9/11 events. The decline was marginal, however, and coincided with low but positive GDP growth of 1.6%. Since then, growth in merchandise trade has consistently outpaced GDP growth, peaking in 2004. Developed countries' merchandise exports declined more than those of developing countries in 2009, falling by 15% compared to 8% for developing countries, as households and firms postponed purchases of consumer durables and investment goods.

For 2010 the merchandise exports of developed economies expanded by 12.6% in volume terms while the export volume of the developing countries saw an increase of 16.7% for the year. This is the fastest year-on-year expansion of trade ever recorded in a data series going back to 1950. The rebound of trade flows has been strongest among emerging countries, particularly in Asia. Developing economies account for more than a third of international trade (33.8% in 2004 and 42.1% in 2010). Asia is by far the main trading region among developing, followed by the developing economies of America (8.3% in 2009) and by the developing economies of Africa (2.9%). The dominance of Asia within the developing economies reflects the fact that it is the most populous and the fastest growing region.

⁷ Definitions of developing, developed and transition countries in this Chapter follow definitions of UNCTAD statistics.

Table 82

Exports and imports of merchandise and services, annual, 2004-20011 (US\$ at current prices and current exchange rates in millions)

YEAR	2004	2005	2006	2007	2008	2009	2010	2011	%World 2004	%World 2010	Growth 2004-2010
World	9,189,016	10,502,059	12,133,567	14,005,053	16,124,213	12,526,253	15,255,869	18,197,117	100.0%	100.0%	66.0%
Developing economies	3,107,613	3,803,826	4,546,444	5,281,953	6,290,843	4,991,008	6,417,049	7,814,805	33.8%	42.1%	106.5%
Transition economies	282,293	363,057	456,010	550,679	739,536	478,857	617,692	823,571	3.1%	4.0%	118.8%
Developed economies	5,799,110	6,335,176	7,131,112	8,172,421	9,093,834	7,056,388	8,221,128	9,558,742	63.1%	53.9%	41.8%
Developing economies: Africa	233,119	317,870	372,716	434,676	561,735	395,276	507,084	601,469	2.5%	3.3%	117.5%
Eastern Africa	14,703	16,647	20,700	24,493	28,472	26,193	33,016	39,179	0.2%	0.2%	124.6%
Middle Africa	31,966	49,522	60,614	76,122	109,704	71,304	91,205	117,344	0.3%	0.6%	185.3%
Northern Africa	83,558	114,109	137,777	159,317	218,644	142,072	175,189	169,349	0.9%	1.1%	109.7%
Southern Africa	56,240	65,181	75,498	87,180	96,874	75,485	97,084	116,127	0.6%	0.6%	72.6%
Western Africa	46,653	72,411	78,127	87,564	108,040	80,223	110,590	159,470	0.5%	0.7%	137.0%
Developing economies: America	479,459	583,026	696,158	779,346	909,923	697,954	887,078	1,097,141	5.2%	5.8%	85.0%
Caribbean	20,886	25,751	31,991	32,350	38,956	23,364	27,288	34,437	0.2%	0.2%	30.6%
Central America	210,173	243,224	283,004	308,395	331,558	266,632	339,296	399,527	2.3%	2.2%	61.4%
South America	248,400	314,051	381,163	438,600	539,409	407,959	520,494	663,177	2.7%	3.4%	109.5%
Developing economies: Asia	2,388,939	2,896,260	3,469,884	4,058,969	4,809,703	3,890,662	5,014,059	6,104,130	26.0%	32.9%	109.9%

Source: UNCTAD - UNCTADstat 2012. UNCTAD's definitions used.

South-South trade develops

While industrial countries remain by far the main partners of Low Income Countries (LICs), the BRIC countries have increased so rapidly over the past decade that they have become new growth drivers for LICs. The trade of LICs with BRICs is already close to half of the value of combined trade with the European Union and the United States. Between 2000 and 2009, total LIC exports to BRICs grew at an annual rate of almost 25% - much higher than the average for other emerging market economies - rising from US\$ 15 billion to US\$ 61 billion, with total trade reaching close to US\$ 170 billion⁸.

Many LICs have a strong comparative advantage in commodities while China and India, and Brazil to a lesser extent, are competitive producers of manufactured goods. BRIC demand for commodities resulted in a significant improvement in LICs' terms of trade. There is potential to further increase of this South-South trade by lowering tariff and non-tariff barriers on both sides, reducing tariff escalation, extending preferential access for LIC exports, and making rules of origin more liberal in the existing preference schemes. At the same time, starting from a low base, BRIC FDI inflows to LICs have grown rapidly (see section on FDI trends). The development of LIC-BRIC trade and investment has boosted growth in LICs.

EU trade with developing countries

The EU is not only the world's largest trading block, it is also the number one trading partner for the developing economies. Most of its imports come from the developing countries (53.7% in 2009) while close to half of its exports are directed at the developing countries (57.6% in 2009).

The EU, the world's largest single market and the largest importer of products from developing countries has used trade policy tools for the benefit of developing countries. For many years, it has operated the Generalized System of Preferences (GSP), a preferential market access scheme giving all developing countries duty-free quota-free access for the vast majority of their exports to the EU market. The "GSP Plus" provides additional market access to particularly vulnerable developing countries that ratified and

⁸ See New Growth Drivers for Low-Income Countries: The Role of BRICs, IMF, January 12, 2011. See <http://www.imf.org/external/np/pp/eng/2011/011211.pdf>. Low income countries are those with GNI per capita of US\$ 995 or less.

Middle income countries had GNI per capita between US\$ 996 and US\$ 12,195. High income countries above.

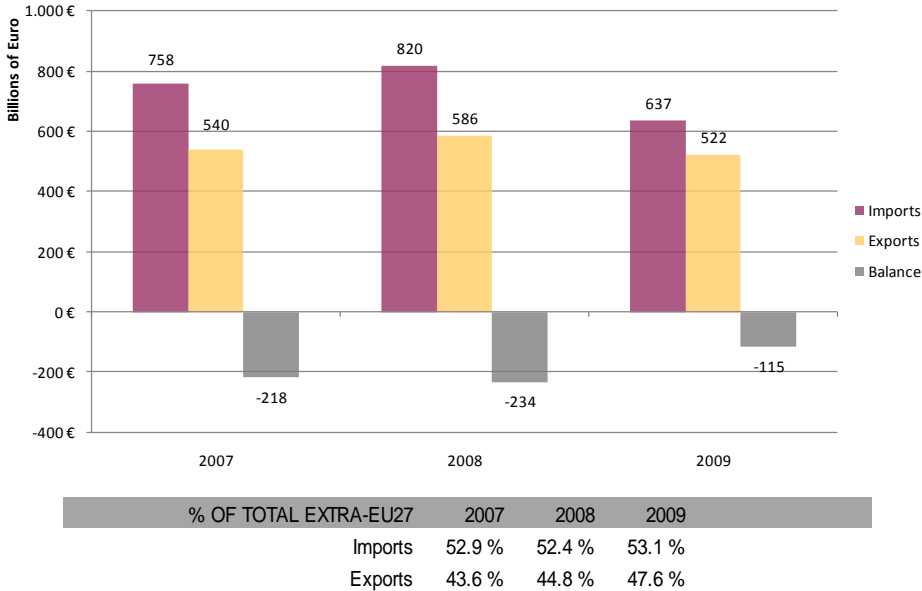
implemented a number of core international conventions on human rights, labour rights, good governance and environmental protection.

In addition, since 2001, the Everything But Arms (EBA) initiative eliminated all duties and quotas for all products (save arms) originating in Least Developed Countries (i.e. 39 out of 79 ACP countries). The EU was the first developed market bloc to do so (see section of Report on Policy Framework).

Under the GSP, imports by the EU from developing countries amounted to € 40 billion in 2004, compared with € 22 billion by the US under its GSP scheme. The value of EU imports under its GSP is also greater than the total value of imports under the US, Canadian, and Japanese GSPs combined. The EU's imports from all GSP eligible countries have increased to € 46 billion in 2005, € 51 billion in 2006 and € 58.6 billion in 2007. Imports from EBA eligible countries also increased by 35% in 2006. The GSP and beneficiary countries exports to the EU increased 15% in 2006 and a further 10% in 2007. Thus both the GSP and the EBA are increasingly important instruments that developing countries are benefitting from.

Due to the need to integrate into the world economy, the ACP countries (already beneficiaries of the Cotonou Agreement), have undertaken extensive negotiations on establishing Economic Partnership Agreements (see section of Report on Policy Framework).

Figure 76 EU 27 – Trade with Developing Economies



Source: Eurostat, Statistical Regime 4

Annex 10

Interventions under category 5 (trade-related adjustments) of the wider AfT agenda

The following table lists all contracts, which have been included in the inventory for the thematic global evaluation of the European Commission's support to trade-related assistance.

Contract number	Contract title	Contract year	Title of according decision	Contracted Amount in €	Country	
185073	ENGAGEMENT INTERETS STABEX 2ESEMESTRE 2007	2008	FRANCHISE ART 195 A - CAFE VERT	5,307	UGANDA	
188822	MOORE STEPHENS - FINANCIAL AUDIT STABEX FUNDS YEAR 2006	2008	AUDIT DES PROGRAMMES FINANCES PAR LE FED	41,251	ACP COUNTRIES	
191109	ELABORATION COM AGRICULTURE +UTILISATION TRANSFERTS STABEX 97 ET 98	2005	FACILITE DE COOPERATION TECHNIQUE	89,788	SENEGAL	
191155	HTSPE-SHORT TERM CONSULT.TO FINALISE THE PROJ.PROP. OF 'POSTPACE ACTIVITIES IN THE SUDAN' TO BE FUNDED FROM STABEX	2006	TECHNICAL COOPERATION FACILITY (TCF)	53,717	SUDAN	
191249	ERNST & YOUNG; SERVICE; CLOSURE STABEX ACCOUNTS	2005	TECHNICAL COOPERATION FACILITY (TCF) GM	42,640	GAMBIA	
191453	SERV.CONTRACT-ASSOCIES AUDIT ET CONSEIL- AUDIT STABEX PROG	2006	TECHNICAL COOPERATION FACILITY	128,340	MALAWI	
191455	SERV-CONTRAT-DAAS-STABEX FINAL EVALUATION	2007	TECHNICAL COOPERATION FACILITY	96,674	MALAWI	
191457	MOORE STEPHENS, AUDIT STABEX VENTURE CAPITAL FUND	2007	TECHNICAL COOPERATION FACILITY	69,406	MALAWI	
191425	MID TERM REVIEW OF SMALLHOLDER PAPRIKA (PAMA) STABEX	2005	TECHNICAL COOPERATION FACILITY	45,320	MALAWI	
191465	DELOITTE - FOOD SECURITY AND STABEX BANK ACCOUNT AUDIT	2007	TECHNICAL COOPERATION FACILITY	2,431	MALAWI	
191553	AMAICO AUDIT FINANCIER SUR L'UTILISATION DES FONDS STABEX	2004	FACILITE DE COOPERATION TECHNIQUE (FCT)	15,062	GUINEA-BISSAU	
191731	IDC FWC 133311 PREPARATION OF ANNUAL FINANCIAL REPORTS ANDFINANCIAL RECORDS - STABEX ACCOUNTS	2007	TECHNICAL COOPERATION FACILITY (TCF)	36,686	LESOTHO	
192175	FWC BENEF-ECO 3 SPRL FOR EUR 31,127-PUBLIC FINANCEMANAGEMENT ASSESSMENT FOR BUDGET SUPPORT UNDER STABEX	2006	TECHNICAL COOPERATION FACILITY	27,564	SAINT VINCENT AND THE GRENADINES	
248569	GHANA - Final Technical Audit of FRIP and STABEX	2010	FEEDER ROADS IMPROVEMENT PROJECT (FRIP)	51,870	GHANA	
196847	AUDIT OF PE1 FEEDER ROADS STABEX; KPMG;	9,200	2008	Technical Cooperation Facility II	6,000	GHANA

Contract number	Contract title	Contract year	Title of according decision	Contracted Amount in €	Country
	GHS				
196844	INV/AUDIT OF STABEX FUNDS; JOHN KAY ASSOCIATES; 5,700 GHS	2008	Technical Cooperation Facility II	3,710	GHANA
241533	STABEX/Food Security - Audit of bank accounts 2008 & 2009	2010	Technical Cooperation Facility 2	25,740	MALAWI
232835	STABEX Tea Breeding and Progration Facilities Project Operations PE	2010	Technical Cooperation Facility 2	3,498	MALAWI
205483	Comprehensive audit of the bank accounts for Food Security and STABEX programmes for the year 2007 in Malawi	2009	Technical Cooperation Facility 2	3,388	MALAWI
232942	Audit of STABEX Tea Breeding and Propagation Facilities Project Management Running Cost PE	2010	Technical Cooperation Facility 2	1,878	MALAWI
212519	Audit Stabex 2008	2009	Technical Cooperation Facility II	16,080	UGANDA
197291	2008/165855/2 - MOORE STEPHENS: FINANCIAL AUDITS OF STABEX	2008	Technical Cooperation Facility - Phase II	27,624	LESOTHO
197523	TCF 11 - FINANCIAL AUDIT - EDF STABEX FUND BANK ACCOUNTS	2008	TECHNICAL COOPERATION FACILITY II (TCF)	11,820	JAMAICA
232038	Preparation of the annual Stabex financial report - Year 2009	2010	TECHNICAL COOPERATION FACILITY II (TCF)	3,400	JAMAICA
241143	Audit of STABEX Accounts 2009	2010	Technical Cooperation Facility III	16,530	UGANDA
230124	Service contract to produce Stabex Final Financial Report	2010	CREATION OF NEW COMMITMENT 10.ACP.TA.01	10,000	TANZANIA, UNITED REPUBLIC OF
220583	Audit STABEX 99 Follow up	2009	10TH EDF TECHNICAL CO-OPERATION FACILITY (TCF)	29,550	JAMAICA
258860	Audit of Stabex COM 99 - DP I	2010	FACILITE DE COOPERATION TECHNIQUE TCF	15,000	COMOROS
127454	Evaluation of the STABEX 1994, 1995 & 1996/97 and SFA 1999, 2000 & 2001 Programmes	2007	#N/A	164,886	CARIBBEAN REGION
167881	Audit of Stabex programmes in Dominica, St Lucia, Grenada and St Vincent & the Grenadines	2008	#N/A	198,099	CARIBBEAN REGION
210489	Technical assistance to the STABEX programme - Legume seed multiplication	2009	#N/A	188,700	MALAWI
171551	Evaluation des programmes Stabex 99/1 et Stabex 99/2 en Côte d'Ivoire	2008	#N/A	184,488	CÔTE D'IVOIRE

Contract number	Contract title	Contract year	Title of according decision	Contracted Amount in €	Country
210451	Technical assistance to STABEX Cassava Programme estimate	2009	#N/A	184,424	MALAWI
252661	Final Monitoring and Evaluation of STABEX programme and support to IIAM Strategic Plan	2010	#N/A	167,286	MOZAMBIQUE
147540	PROGRESS AND PERFORMANCE MONITORING OF THE STABEX PROGRAMME	2007	#N/A	158,385	MOZAMBIQUE
254403	Audit financier de 12 Devis programmes Rwanda COM STABEX 96-99	2010	#N/A	108,616	RWANDA
233157	Evaluation du COM STABEX 96-99 au Rwanda	2010	#N/A	100,385	RWANDA
252663	Evaluation finale des COM STABEX 90-94 et 95-99	2010	#N/A	85,778	TOGO
171451	Audit de 4 devis-programmes financés par les fonds STABEX	2008	#N/A	59,975	CÔTE D'IVOIRE
242650	Audit financier des fonds STABEX COM 99/1 et 99/2	2010	#N/A	0	CÔTE D'IVOIRE
231560	Sector Budget Support 'Promoting mutual trade by removing technical barriers to trade between Ukraine and the European Union'	2010	Promoting mutual trade by removing technical barriers to trade between Ukraine and the European Union	39,000,000	UKRAINE
179582	STABEX 96 CAFE	2008	#N/A	3,736,167	TOGO
183313	STABEX 98 CACAO	2008	Stabex 98 - cacao en feves	494,391	TOGO
183314	STABEX 98 CAFE	2008	Stabex 98 - cafe vert ou torrefie	2,005,136	TOGO
183315	STABEX 98 OLEAGINEUX	2008	Stabex 98 - tourteaux d'oleagineux	424,510	TOGO
185448	STABEX	2008	STABEX 99 WOOD	43,843	GUINEA-BISSAU
185452	STABEX 99 OLEAGINEUX	2008	Stabex 99 oil cakes	1,404,448	TOGO
185052	STABEX	2008	FRANCHISE ART 195 A - CAFE	75,321	SIERRA LEONE
185054	STABEX FRANCHISE ART 195 CACAO	2008	Franchise art 195 a - cacao	79,025	TOGO
185055	STABEX FRANCHISE ART 195 CAFE	2008	Franchise art 195 a - cafe	327,519	TOGO
185057	INTERETS GENERES PAR COMPTE STABEX	2006	FRANCHISE ART 195 A - CAFE	278,804	CAMEROON
185058	STABEX	2008	FRANCHISE ART 195 A - CAFE	21,800	CAMEROON
185072	INTERETS STABEX AU 30/6/2007	2006	FRANCHISE ART 195 A - CAFE VERT	953,859	UGANDA
185076	STABEX	2008	Franchise art 195 a - the	1,538,444	TANZANIA, UNITED REPUBLIC OF
186178	INTERESTS 2005 - STABEX SECURITY ACCOUNT	2006	FRANCHISE ART 195 A - PALMIER	686,927	SOLOMON ISLANDS

Contract number	Contract title	Contract year	Title of according decision	Contracted Amount in €	Country
196835	PRIVATE SECTOR BUDGET SUPPORT; GVT OF GHANA; 4,500,000 EURO	2007	Private Sector and Trade Enabling Programme (PSTEP)	3,500,000	GHANA
196519	SECTOR SUPPORT BUDGET FOR TRADE DEVELOPMENT	2007	Sector Budget Support for Trade Development	4,522,116	FALKLAND ISLANDS (MALVINAS)
192514	APPUI BUDGETAIRE, TWO TRANCHES; EUR 1,300,000.00	2004	SUPPORT TO ECONOMIC REFORM PROGRAMME 2004-2006	1,300,000	VANUATU
192515	OPTO INT. AB; SERV/9-006/001/IC; VUV 44,965,360.00	2005	SUPPORT TO ECONOMIC REFORM PROGRAMME 2004-2006	316,466	VANUATU
192503	APPUI BUDGETAIRE - (100% SOUS FORME BUDGETAIRE)	2004	PROGRAMME D'APPUI BUDGETAIRE A LA FORMATION PROFESSIONNELLE (2004-2007)	30,094,370	NEW CALEDONIA

Annex 11

Thematic Global Evaluation of European Commission's Support to Trade-related
Assistance in Third Countries
(EC Contract number EVA 2010/254070)

Study to support EQ8 JC4

**Increased competitiveness through TRA in the service sector
("trade in services")**

Effects of support to tourism development

Draft Version

by: Veronika Schanderl, Particip GmbH



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List of acronyms and abbreviations

ACCC	Association of Canadian Community Colleges
ACP	Asia, Caribbean and Pacific
AFD	Agence Francaise de Développement
AfT	Aid for Trade
ALA	Asia and Latin America
ASEAN	Association of Southeast Asian Nations
cf.	see/confer
CfP	Call for Proposals
CRIS	Common Relex Information System
CSE	Country Strategy Evaluation
CSP	Country Strategy Paper
DoA	Description of the Action
DEVCO	Development and Cooperation
DG	Directorate General
EGTS	United Nations Expert Group on Tourism Statistics
EC	European Commission
ECPAT	End child prostitution, child pornography and trafficking of children for sexual purposes
EDF	European Development Fund
EQ	Evaluation Question
EU	European Union
ETOUR	European Tourism Research Institute
FA	Financing Agreement
FP	Financing Proposal
f	following page
ff	following pages
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GDS	Global Distribution Systems
GVA	Gross Value Added
ibid	ibidem
IBO	Intermediary Business Organization
IISD	International Institute for Sustainable Development
IILEAP	International Lawyers and Economists Against Poverty

IMF	International Monetary Fund
ITA	International Tourism Arrivals
IUCN	International Union for Conservation of Nature
JC	Judgement Criteria
LF	Logical Framework
MDG	Millennium Development Goals
MNRT	Ministry of Natural Resources and Tourism (Tanzania)
MoF	Ministry of Finance (Tanzania)
MTR	Mid-Term Review
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania (Tanzania's National Strategy for Growth and Reduction of Poverty)
NACTE	National Council for Technical Education (Tanzania)
NIP	National Indicative Programme
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
PFS	Project Fact Sheet
PPI	Pro poor income
PPT	Pro-poor tourism
PSC	Project Steering Committee
ROM	Result Oriented Monitoring
SADC	South African Development Community
SARS	Severe Acute Respiratory Syndrome
STD	Sexually Transmitted Diseases
SNV	Netherlands Development Organisation
TAPs	Technical and Administrative Provisions
TIES	The International Ecotourism Society
ToR	Terms of References
TSA	Tourism Satellite Account
TTCI	Travel & Tourism Competitiveness Index
TTP	Tourism Training Programme (Tanzania)
T&T	Travel and Tourism
UN ECOSOC	United Nations Economic and Social Council
UNCED	United Nations Conference on Environment and Development / the "Earth Summit"
UNCTAD	United Nations Conference on Trade and Development
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific

UNSD	United Nations Statistics Division
UNWTO	United Nations World Tourism Organization
URT	United Republic of Tanzania
VC	Value Chain
VCA	Value Chain Analysis
VEITA	Vocational Training Authority (Tanzania)
WCED	World Commission on Environment and Development
WEF	World Economic Forum
WTTC	World Travel & Tourism Council
3Cs	Coordination, complementarity, coherence

Notes: The present study uses the common acronym "Commission" to refer to either the "Commission of the European Union" (post-Lisbon Treaty) or the "European Commission" (pre-Lisbon Treaty), as applicable.

Further information and detailed findings of the case studies can be obtained from Particip GmbH.

Executive summary

The present study was commissioned to support the “Thematic Global Evaluation of European Commission’s Support to Trade-related Assistance in Third Countries”. This evaluation’s scope therefore also defines the scope of this sector-specific study on the Commission’s trade-related assistance (TRA) in tourism and narrows down the field of research to the Commission’s TRA in tourism over the period 2004-2010. In specific, the intention of this study was set to support the evaluation’s:

- Evaluation Question (EQ) 8: To what extent has the Commission’s Trade-related Assistance support to Trade Development helped improving market access and investment climate?
- Judgement Criteria (JC) 4: Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission TRA support

“Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which imply tourism expenditure” (UNWTO, <http://media.unwto.org/en/content/understanding-tourism-basic-glossary>). Tourism is part of the third, the “service sector”; “tourism” cannot be produced in advance and stored, it takes place at the place of production and is highly labour intensive.

Tourism is interlinked with and dependent of other sectors and development areas such as supplying industry and infrastructure, but also security and health related developments, and even fields such as environmental legislation would need to be taken into consideration, should one aim at capturing the whole picture of “tourism” and the Commission’s TRA in tourism.

While economic key indicators researched and analysed by the United Nations World Tourism Organization (UNWTO) and the World Travel & Tourism Council (WTTC) focus on economic statistical data only, this complexity is reflected by the World Economic Forum (WEF)’s “Travel and tourism competitiveness report”. This report measures as much as 70 indicators to determine a country’s competitiveness in travel and tourism. These decisive factors for competitiveness are grouped in 14 pillars of travel and tourism (T&T) competitiveness, which in turn are clustered in three so-called subindices:

- T&T regulatory framework subindex;
- T&T business environment and infrastructure subindex; and
- T&T human, cultural, and natural resources subindex.

It in consequence proved challenging if aiming at measuring the *exact* impact of the Commission’s trade-related assistance (TRA) in tourism, assessing its effects *globally*, or even defining the total of the Commission’s interventions *affecting* the competitiveness of the tourism sector and its industry. The present study does therefore not aim for being representative or exhaustive, but was designed to provide exemplary information on the possible effects of the Commission’s TRA in tourism in two areas:

- Key area A: “tourism” as main intervention’s focus
- Key area B: “tourism” included as intervention within a broader, non-tourism-specific TRA decision

The case studies approach was used in order to obtain findings for the following indicators, which are based on the evaluation’s EQ8 JC4’s indicators and have been carefully adapted to the tourism-specific context:

- I. 8.4.3: TRA in the tourism sector has contributed to an enabling environment for tourism development
- I. 8.4.4: Evidence of clusters or value chains oriented towards international tourism being strengthened

- I. 8.4.2: Geographic diversification of nationalities of international visitors
- I. 8.4.1: Evidence of growth of tourism's contribution to GDPs, exports and employment generation

The present study has been set into a very ambitious context. The analysis carried out for this study, its findings as well as the drawn conclusions and recommendations are therefore subject to limitations:

- The effects of domestic tourism had to be disregarded *per definition* of the TRA's focus on exports and, in consequence, on international tourists;
- The eligibility of the recognized key performance indicators to measure the economic impact of travel and tourism can be questioned when trying to assess tourism's contribution to poverty reduction;
- Possible parallel support by other donors and external factors influencing tourism development, the development of possible upstream and downstream economic sectors, influencing factors at the tourism demand side and increased / decreased spending power in countries of origin of international tourists are all factors that contribute to a country's tourism development and tourism sector competitiveness. They prevent from being able to attribute evidence collected at impact level exclusively to the Commission's TRA in tourism ("attribution gap").

In consequence:

- Special attention was paid to evaluating whether relevant factors have been considered during the design, implementation and monitoring of the selected interventions. The underlying assumption is that the pure existence can be considered as necessary for possible effects.
- No general findings can be provided that could be applied to all interventions within the Commission's TRA in tourism.

Tourism is no priority area of the Commission's development cooperation: It is not one of the main "intervention areas" for development cooperation financed by the European Commission; it is not one of its cross-cutting issues either.

The most relevant and most recent strategic document found is the "Communication from the Commission to the Council and the European Parliament. A European Community strategy to support the development of sustainable tourism in the developing countries" (European Commission 1998).

In line with this, limited efforts have been paid by the Commission in recent years on researching the complex web of tourism-related sectors and their linkages among each other, and on assessing possible effects of tourism and tourism sector development.

Less than 1% percentage of all the Commission's development cooperation contracts signed between 2004 and 2010 included a tourism-related buzz word in its contract title.

The Commission's TRA in tourism is dispersed over all areas influencing tourism competitiveness. It is to be assumed that the Commission's non-tourism-specific TRA, but also the Commission's development cooperation in other sectors that are not directly referring to tourism (such as health, security, transport/ICT/... infrastructure, private sector development, or education for example) positively impact the competitiveness of a beneficiary country's tourism industry.

The "Thematic Global Evaluation of European Commission's Support to Trade-related Assistance in Third Countries" is grouped around nine evaluation questions (EQ) addressing different elements of trade and the Commission's development cooperation in trade. This study supports EQ 8: "To what extent has the Commission's TRA support to trade development helped improving market access and investment climate?"

For being able to answer this question, four judgement criteria (JC) look into different aspects relevant, including the competitiveness of export-oriented enterprises that is also the focus of this sector-specific study aiming at exemplary providing responses with regard to a possible increased competitiveness in the service sector, more specifically, in the tourism sector.

In Tanzania, overall travel and tourism competitiveness decreased from 2007 to 2011. Both, its competitiveness in terms of regulatory framework as well as business environment and infrastructure decreased, while its competitiveness in terms of human, cultural, and natural resources increased. The Commission's supported TRA in tourism intervention was designed to contribute to an increase of both the first as well as the third area, but no evidence could be found to attribute the positive development in the third T&T competitiveness subindex to the results achieved by the "Tourism Training Programme" funded by the Commission.

In Asian countries covered by the second case study, eight of the beneficiary countries in Asia increased their overall competitiveness from 2007 to 2011. However, only five of them increased their competitiveness of the travel and tourism regulatory framework, and only six countries improved their basis for competitiveness in the field of business environment and infrastructure, although being this the specific focus of the analysed tourism-related action grants funded within the Commission's "Asia Invest Programme 2006-2007".

The extent to which such increased competitiveness can be attributed to the Commission's TRA in tourism could not be confirmed though. Possible positive contribution of the Commission's TRA in tourism has been analysed from different angles always bearing in mind the complex net of factors influencing each other and influencing the development of the tourism sector. The findings of this study intended to support EQ8 JC4 of the "Thematic Global Evaluation of European Commission's Support to Trade-related Assistance in Third Countries" can be summarized as follows:

Table 83: Findings (Summary table)

Indicator		Finding
I. 8.4.3	TRA has contributed to an enabling environment for trade oriented sectors	<p>The Commission's TRA in the tourism sector has insufficiently contributed to an enabling environment for tourism development.</p> <p>On the one hand, the objective of strengthening the institutional framework for training in tourism in Tanzania was not achieved; neither has a sufficient monitoring system been put in place. Therefore, the programme could also contribute to improving the country's tourism sector environment. Still, the Commission's TRA in tourism can be perceived to having contributed to setting the ground for an improved enabling environment, if careful follow-up by relevant stakeholders is ensured.</p> <p>On the other hand, specific interventions of the analysed Commission's TRA in tourism in Asia have contributed to the strengthening of various factors relevant for durably strengthening the targeted Asian countries enabling environment for tourism through institutional strengthening.</p> <p>Still, the analysis of the case studies' regulatory framework in tourism revealed deficits in related competitiveness since in most cases insufficient attention has been paid to aspects of policy rules and regulations, environmental sustainability, health and hygiene, and safety and security, which are strongly influencing a visitor's decision to visit or not visit a specific destination and, by that, influencing the tourism sector's potential to finally contribute to poverty reduction.</p>
I. 8.4.4	Evidence of trade oriented clusters, value chains or sectors being strengthened	<p>The analysed case studies on the Commission's TRA in tourism as insight on "trade in services" contributed to improve the tourism sectors' competitiveness in business environment and tourism infrastructure. Evidence collected in the case studies suggest that clusters in tourism have been partially strengthened. Support to value chains in tourism has focused on the "export end" of the value chain – while commercialization is considered to be highly relevant, also the importance of focussing on the entire value chain, as well as considering the pro-poor impact of sustainable tourism development should not be neglected.</p>
I. 8.4.2	Geographic	<p>There is little evidence that the Commission's TRA contributed to the observed geographic diversification of exports in the tourism sector. Geographic diversification of</p>

	diversification of exports of supported sectors	exports could be identified to be a major or minor concern of only one of the specific interventions subject to deeper analysis in the frame of this study. Hardly any related efforts have been observed in the project preparatory or final documentation either.
I. 8.4.1	Evidence of growth of exports of supported sectors	Over the evaluation period, the selected case studies of the Commission's TRA in tourism show positive growth rates. Attribution to the Commission's TRA in tourism appears however to be difficult due to various reasons: the complexity of the tourism sector and the impossibility to measure all possible parallel influence of support to other sectors relevant for a competitive tourism development; the high dependency of the tourism sector of external effects, and last but not least the either deficit performance of the first case study's intervention or the second case study's focus on relevant support at micro level.

Expressed in a single statement, the overall conclusion drawn on the below carried out study is:

The Commission's TRA in tourism supported some highly relevant interventions contributing to increased competitiveness of tourism enterprises oriented towards international visitors in specific, and of the tourism sector in general. Evidence of good results or effective activities have been found at micro (enterprise) level, however, no positive statement can be made with regard to a possible broader competitiveness increase at sector level and on aggregated impact level.

1 Introduction

“Tourism” is the souvenir I can *touch*; “tourism” is the *experience* I have when standing in front of an impressive waterfall. “Tourism” can be defined by the money I leave in a place while visiting it, but at the same time, by the ecologic and socio-cultural effects my visit may cause. In order to be able to assess the effects of support to tourism development by the European Commission’s trade-related assistance (TRA), this study starts with presenting the underlying understanding of “tourism” (cf. chapter 2: Understanding “tourism”). Relevant definitions, its relation to “trade in services and ways to measure tourism performance are being looked into. A sound understanding of competitiveness in the tourism sector is key for this study’s subsequent analysis and is therefore explained in detail.

Being commissioned to support one very specific part of the “Thematic Global Evaluation of European Commission’s Support to Trade-related Assistance in Third Countries”, methodological tools of the Commission’s evaluation methodology (cf. chapter 3: Methodological approach) have been applied.

Compiling a list of all relevant specific tourism-related projects of TRA constituted a first step of this study. Translating the relevant evaluation indicators and evaluation criteria into tourism-related formulations, as well as an honest dealing with and comprehensive assessment of the study’s possibilities and limitations gave guidance in information necessary to be researched. The study bases its research and analysis exclusively on secondary source data. Conducting interviews or field visits would have complemented and enriched the study’s outcomes, but was not feasible within the limited time and funds available for carrying out this study.

A brief positioning of tourism within the Commission’s development cooperation and of the Commission’s TRA in tourism over the evaluation period is the starting point for reconstructing of the intervention logic of the Commission’s TRA in tourism from 2004 to 2010 worldwide (cf. chapter 4: The Commission’s TRA in tourism). A clear understanding of linkages and level of impacts facilitated not only the process of assessing the Commission’s TRA in tourism but also provided a comprehensive picture of possible (development cooperation) fields influencing tourism development as well as the tourism’s sector’s competitiveness.

Case studies diving into specific tourism-related interventions provide the basis for a detailed analysis and discussion of findings on possibly increased competitiveness of the tourism sector through support by the Commission’s TRA (cf. chapter 5: Findings to support EQ8 JC4).

Based on the information gathered on the Commission’s TRA in tourism and the findings obtained on the specific case studies analysed, as well as on any possibly detected change between the case studies’ specific situation in 2004 and in 2010, a detailed set of conclusions and recommendations has been elaborated (cf. chapter 6: Conclusions and recommendations).

2 Understanding “tourism”

2.1 Tourism – what it is and what not

“Tourism” combines many heterogeneous products and services along the tourism service chain – it does not only include the overnight-stay abroad and the travel to and within the destination, but also the bottle of water bought in a local shop, the local theatre performance attended and even the camping equipment purchased back home before starting the trip. The United Nations World Tourism Organization (UNWTO)⁹s defines

“**tourism** is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which imply tourism expenditure”.¹⁰

Forming part of the “service” industry, tourism products¹¹ are not storable, but tourism services are created at the moment of delivering them to a client that does not consume them at home but travels to exactly the place where the tourism product is created.

But most of all sticks out one characteristic which is often also expected to have the biggest impact on a destination’s economic development: The tourism sector¹² is highly linked with and dependent of other sectors, “involving a big diversity of services and professions (...). It impacts on sectors such as transport, construction, retail and on the numerous sectors that produce holiday products or provide leisure and business travel-related services” (European Commission 2006a: 2).

Tourism has experienced exceptional growth over the last decades and is expected to further grow in the decades to come (cf. UNWTO 2012: 14). The UNWTO’s long-term trend predicts that also the share emerging economy destinations are holding of the worldwide tourism activity is expected to increase: “Between 2010 and 2030, arrivals to emerging economies are expected to increase at double the pace (+4.4% a year) of those to advanced economies (+2.2% a year)” (UNWTO 2012: 2).

“One of the most crucial aspects of international tourism is the cross-border movement of consumers. This permits even unskilled workers in remote areas to become services exporters – for instance, by selling craft items, performing in cultural shows, or working in a tourism lodge”¹³

states the World Trade Organization (WTO) on their website pointing out the perceived high potential of tourism to support poverty reduction. Such potential, however, can easily be overestimated since “**tourism is no panacea**: not all countries or regions have the same potential or capacity to develop a competitive tourism industry that can contribute effectively to the development process” (European Commission 1998: 18).

Realistically assessed tourism potential and capacities play an important role in development processes with lasting impact. Additional key factors for reaching lastingly effects on improving living conditions, especially of our world population’s less favoured ones, lie however in the “how” of development.

Since the “Brundtland report” (WCED 1987), **sustainable development** is the concept aimed at by key actors in development cooperation – it refers to the definition of “development (...) that (...) meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987: 16). The principles of sustainable development are “economic development, social equity, and environmental protection” (UNCED 1992, IIDS 2010: 2).

⁹ The UNWTO is a United Nations specialized agency serving as a forum for tourism policy issues and as a source for tourism know-how.

¹⁰ UNWTO, <http://media.unwto.org/en/content/understanding-tourism-basic-glossary>

¹¹ “A *tourism characteristic product* would cease to exist in meaningful quantity in the absence of visitors.” (UNWTO, <http://media.unwto.org/en/content/understanding-tourism-basic-glossary>)

¹² “The **tourism sector** (...) is the cluster of production units in different industries that provide consumption goods and services demanded by visitors. Such industries are called *tourism industries* because visitor acquisition represents such a significant share of their supply that, in the absence of visitors, their production of these would cease to exist in meaningful quantity.” (UNWTO, <http://media.unwto.org/en/content/understanding-tourism-basic-glossary>)

¹³ WTO, http://www.wto.org/english/tratop_e/serv_e/tourism_e/tourism_e.htm

In line with the ideas of sustainable development, **sustainable tourism** is defined as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"¹⁴. To achieve sustainability in tourism development, today's tourism scientists and professionals are used to not only refer to the pillars of economic, ecological and socio-cultural sustainability, but to add a fourth level of institutionally sustainability.

2.2 Tourism and "trade in services"

Tourism products and services can normally be consumed by national as well as international visitors. However, domestic tourism (and spending) does not form part of "trade" since "trade" is defined by cross-border exchange of goods and services. Domestic tourism is therefore not covered by tourism-related trade.

The consumption of tourism-related services and products by international visitors **are included into the exports side of a country's balance of trade**¹⁵. Tourism enterprises catering international tourists are therefore also to be seen as export-oriented enterprises. Although tourism activities are being carried out within a country's national borders, the decisive factor is that it is international tourists buying, and, in doing so, bringing foreign currency into the country. In consequence, tourism contributes to this country's GDP. Especially in least developed and developing countries, tourism is understood to have the potential to significantly contribute to a country's GDP, either by reducing a trade balance's deficit or by increasing the trade balance surplus.

"Trade" includes goods as well as services. The service-side of trade was long ignored in international discussions on "trade", although it allows for significant contribution to income generation due to the required high level of personal involvement. Thus, also an increased competitiveness of enterprises within the tourism-sector can significantly contribute to an increased employment generation.

Being tourism mainly determined by its activities and services provided, it **forms part of the "trade in services"**. The World Bank states in one recent publication on trade in services: "Too often services are overlooked as a source of export diversification and discussions and trade policies are inappropriately focused on manufactures. Considerable scope remains to expand traditional sectors such as tourism" (World Bank 2010: iii). The document further reads: "that trade in services is a substantial share of total trade for many African countries and that the EU is typically the main partner. Exports are dominated by travel services, reflecting the significance of the tourism sector in many African countries" (World Bank 2010: 34). Still, "the WTO's General Agreement on Trade in Services (GATS) offers a relatively limited definition of tourism, which excludes a number of related services such as computer reservation systems, cruise ships and many other transport services, or hotel construction" (OECD 2008: 2).

Scientific research has pointed out the importance of **trade reforms** for strengthening not only tourism sector but also important side industries such as transport and the consequent effect on poverty reduction (World Bank 2010: 38; quoting Grosso et al 2007). Still, the OECD stresses that trade reforms alone do not yet have such effects, if not well planned and carries out,

"there is still a great deal of scope for developing countries to expand tourism and the opportunities it offers for socio-economic development. One factor restricting such growth is a lack of adequate services and infrastructure, such as transport, telecommunications, financial services, or electric power and sewage treatment facilities. (...) Opening up markets to trade in services and investment, could substantially contribute to the development of tourism. But any market opening needs to be properly designed and implemented, taking account of the social and environmental impact, if sustainable tourism and growth are to be achieved." (OECD 2008: 1)

¹⁴ UNWTO, <http://sdt.unwto.org/en/content/about-us-5>

¹⁵ "Travel credits cover goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy. Travel debits cover goods and services for own use or to give away acquired from other economies by residents during visits to other economies" (UNSD 2010c: 71).

2.3 How to measure “travel and tourism” as part of “trade in services”

The OECD states that the economic importance of tourism has long been underestimated (cf. OECD 2008: 2) – maybe because “tourism” is hard to narrow down? The heterogeneity in its services, the strong linkage with other sectors and the fact that tourism products are seldom consumed by tourists only, make it hard to measure both “tourism” and its effects.

To start with, most statistic data does not differ between **travel and tourism** (T&T). “*Travel* refers to the activity of travellers. A traveller is someone who moves between different geographic locations, for any purpose and any duration. The visitor is a particular type of traveller and consequently tourism is a subset of travel”¹⁶.

Also the two most important statistics, the ones produced by the UNTWO and the World Travel and Tourism Council (WTTC)¹⁷ compile and analyse travel and tourism’s performance within one and the same process.

“International efforts to improve measurement of the economic impact of tourism led to the development of the **Tourism Satellite Account** (TSA), which attempts to provide a credible measure of the true contribution of tourism to a national economy” (OECD 2008: 2). The “Tourism Satellite Account: Recommended Methodological Framework” agreement was established in 2000 (and revised in 2008 (UNSD 2010b)) by the United Nations Expert Group on Tourism Statistics (EGTS), which is jointly organized by the United Nations Statistics Division (UNSD) and the World Tourism Organization (UNWTO) (cf. UNSD 2010b: 1f). The described methodology, in consistency with the System of National Accounts and together with 2008’s revision’s recommendations (UNSD 2010c), sets the basis for elaborating statistical data¹⁸ to measure and analyse travel and tourism as an economic activity.

The TSA follows the definition of a tourist being “a visitor (...) if his/her trip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise” (UNSD 2010c).

In cooperation with Oxford Economics, the **WTTC** produces **yearly reports on the economic impact** of travel and tourism worldwide, as well as at regional and national levels¹⁹. These reports also include the following main economic key performance indicators that found expression in the below analysed indicators:

- Direct, indirect, induced and total **contribution to GDP**;
- Direct, indirect, induced and total **contribution to employment**; and
- Tourism’s **contribution to exports**, among others.

Compared to numbers available by the UNWTO, studies by the WTTC apply a more extensive²⁰ approach by also including financial impacts on supply chain levels, by analysing not only *direct*, but also *indirect* and *induced* contributions of travel and tourism to GDP and employment.

- **Direct** refers to the GDP or employment generated by industries that deal directly with tourists (cf. WTTC 2012s: 11).
- **Indirect** is defined as travel and tourism investment spending [e.g. investments in airport infrastructure], Government collective travel and tourism spending [e.g. promotional campaigns], and the impact of purchase from suppliers (cf. WTTC 2012s: 2).

¹⁶ UNWTO, <http://media.unwto.org/en/content/understanding-tourism-basic-glossary>

¹⁷ The WTTC calls itself the “forum for business leaders in the travel & tourism industry” (WTTC 2012s: 14) and represents the main global players in the travel and tourism industry.

¹⁸ TSA statistical data includes figures on: “inbound, domestic tourism and outbound tourism expenditure, internal tourism expenditure, production accounts of tourism industries, the Gross Value Added (GVA) and Gross Domestic Product (GDP) attributable to tourism demand, employment, investment, government consumption, and non-monetary indicators.” <http://media.unwto.org/en/content/understanding-tourism-basic-glossary>

¹⁹ The most recent report versions are available online: <http://www.wttc.org/research/economic-impact-research/>. An online database also allows extracting specific data only: <http://www.wttc.org/research/economic-data-search-tool/>.

²⁰ Still, UNWTO and WTTC do not elaborate two different kind of statistical data, but closely coordinate to not contradict each other. WTTC’s “methodology for estimating the direct contribution of Travel & Tourism (...) [is] fully consistent with the UN Statistics Division-approved 2008 Tourism Satellite Account: Recommended Methodological Framework” (WTTC 2012s: 12).

- **Induced** shows “the broader contribution to GDP and employment of spending by those who are directly or indirectly employed by Travel & Tourism.” (WTTC 2012s: 11).
- **Total** represents the sum of direct, indirect and induced contributions.

Further internationally recognized key performance indicators include:

- The UNWTO's compilation of data on **International Tourism Arrivals (ITA)**, outbound as well as inbound, provide additional statistical data that will help assessing the degree of change in a nation's export diversification further below. ITA includes visitors crossing borders when travelling.
- “**Tourism receipts**” or “tourism expenditure” “refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips.”²¹

All those statistics hardly include domestic tourism. For this specific study, this does not constitute a limitation, since only international travel and tourism is subject of this study on trade-related assistance by the Commission.

2.4 Competitiveness in the tourism sector

The tourism sector is very sensitive towards increased/reduced competitiveness. Decisions on the destination of choice are often dependent on “soft” factors like a visitor's perception of a destination, influenced by personal recommendations or a skilled travel agent rather than an explicit preference for a country or region to be visited. To give an example: A tourist looking for “sun and beach” with no other decisive factors reacts to the most competitive tourism offer on the market – and easily “Spain” becomes exchangeable with “Turkey”. And destinations get replaced by tour operators as soon as they get the impression that a country's institutional framework cannot guarantee a safe visitation any more (as it was the case, for example, for Egyptian or Tunisian destinations during the *Arab Spring* in 2011).

So, what does “competitiveness” mean, when looking at the tourism sector? The above introducing words to this chapter made it already clear that it is not all about the envisaged costs for a trip. Although “the concept of competitiveness may seem easy to understand, (...) the complexity of the concept is clear when we want to define and analyze” (Ferreira 2009: 8) it. The Organisation for Economic Co-operation and Development (OECD) defines **competitiveness** in international trade as “a measure of a country's advantage or disadvantage in selling its products in international markets”²². Competitiveness in the scope of this study thus refers to a measure of a country's advantage or disadvantage in selling its tourism products and services to international tourists. When thinking of a country's comparative advantages, what usually first comes to mind is cultural heritage, natural landscapes or attractive tourism infrastructure.

However, “competitiveness” in tourism presents itself much more complex. To better capture (and measure) this complexity, the World Economic Forum (WEF), in close cooperation with Booz & Company, Deloitte, the International Air Transport Association (IATA), the International Union for Conservation of Nature (IUCN), the UNWTO, and the WTTC, has developed the so-called “**Travel & Tourism Competitiveness Index**” (TTCI).

The TTCI “aims to measure the many different regulatory and business-related issues that have been identified as levers for improving T&T competitiveness in countries around the world. Since 2007, four “Travel and tourism competitiveness report[s]”²³ have been produced, frequently informing on the sector's developments as well as providing detailed information for 139 countries and economies. “The TTCI aims to measure *the factors and policies* that make it attractive to develop the T&T sector in different countries” (WEF 2011: xiv). Research and analysis comprise a total of as much as 70 indicators in order to

²¹ UNWTO, <http://media.unwto.org/en/content/understanding-tourism-basic-glossary>

²² OECD, <http://stats.oecd.org/glossary/detail.asp?ID=399>

²³ Cf. <http://www.weforum.org/issues/travel-and-tourism-competitiveness>

determine a specific economy's or country's competitiveness in travel and tourism, including factors such as environmental legislation, the available capacities in terms of qualified human resources, or a Government's priority on the sector and policy development to determine its willingness to make available funding/resources to be invested into the sector.

These decisive factors for competitiveness are grouped in 14 pillars of T&T competitiveness²⁴, which in turn are clustered in three so-called subindices:

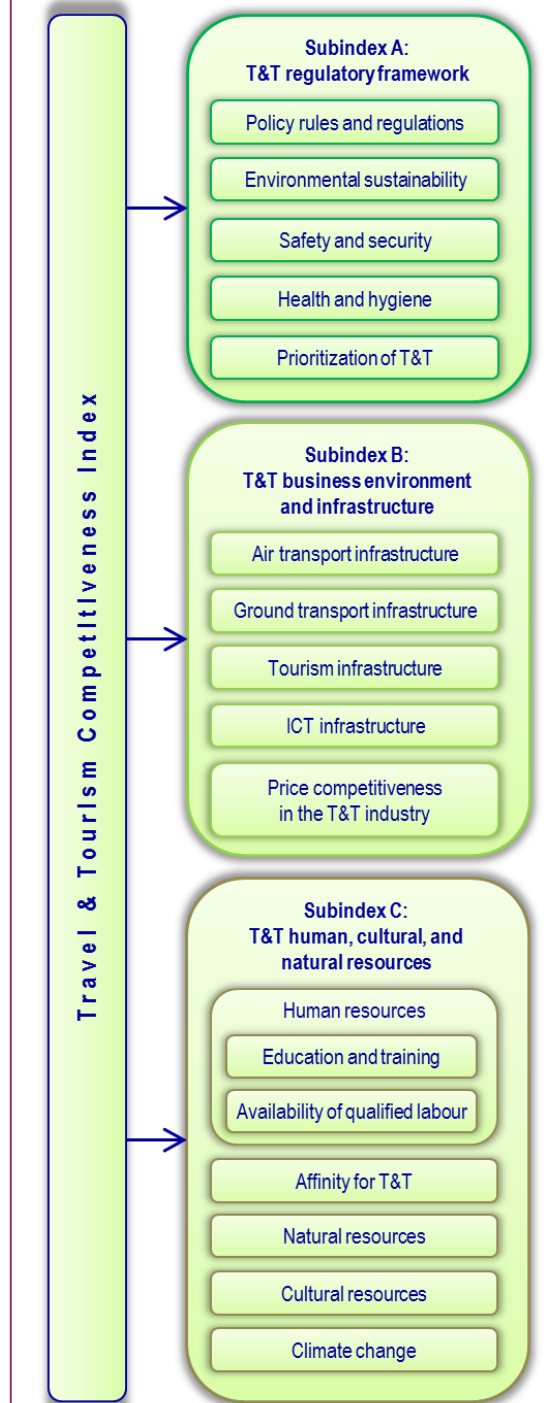
- T&T regulatory framework subindex;
- T&T business environment and infrastructure subindex; and
- T&T human, cultural, and natural resources subindex.

“The first subindex captures those elements that are policy related and generally under the purview of the government; the second subindex captures elements of the business environment and the ‘hard’ infrastructure of each economy; and the third subindex captures the ‘softer’ human, cultural, and natural elements of each country’s resource endowments”. Figure 77 gives an overview of the three subindices and 14 pillars of competitiveness, showing that the TTCI captures quite well the complexity of the travel and tourism sector.

If aiming at sustainable development in the tourism sector, it is of importance to notice that the TTCI covers all four areas of sustainability, while environmental sustainability is treated within subindex A.

It is easy to reconstruct the train of thought that competitiveness of the tourism industry cannot be measured by one or two (or even four) indicators only, but is highly dependent on and influenced by the development of the total of these 14 pillars.

Figure 77: The Travel & Tourism Competitiveness Index, its subindices and its pillars of competitiveness



²⁴ WEF 2011: xiv. A detailed and comprehensive description of each pillar can be read up on WEF 2011: 4.

3 Methodological approach

3.1 Purpose and scope of the study

The global objective of the study was to provide information on the Commission's support to "trade in services" using the example of the effects of the Commission's trade-related assistance in tourism development.

The specific objectives of the study were to

- Take stock of the Commission's TRA in the tourism sector;
- Provide tendencies on the Commission's TRA in the tourism sector;
- Elaborate lessons learnt based on a short stocktaking of the Commission's TRA in tourism, and more specific, resulting from two case studies;
- Draft recommendations for future TRA in tourism.

The study is embedded into the overall context of the "Thematic Global Evaluation of European Commission's Support to Trade-related Assistance in Third Countries". This evaluation's scope also defines the scope of this sector-specific study on the Commission's TRA in tourism. This study therefore:

- Comprises the Commission's support to TRA in tourism over the period 2004-2010;
- Comprises the Commission's support to TRA in tourism in all third countries incl. ACP²⁵ and none-ACP (excluding regions and countries under the mandate DG Enlargement) at national and regional level);
- Relates to MDG1 and MDG8²⁶; and
- Bears in mind the Commission's commitment to "harnessing the poverty reducing potential of trade and to assist in integrating the least developed countries in the global economy" (Desk Report p.2).

In consequence, the study is also based on the already existing inventory of the Commission's TRA support.

The study was designed to explicitly support evaluation question 8, judgement criteria 4 and its four respective indicators (cf. chapter 3.3). This further narrows down the study's scope to:

- Trade development (corresponding to "Aid for Trade"²⁷ category 2)²⁸;
- DAC's evaluation criteria relevance, effectiveness, efficiency, impact and sustainability, as well as the evaluation criterion cross-cutting issues;
- The expected limited possibility to distinguish between "trade development" and "private sector development"²⁹;
- The aim to identify the specific impact on "competitiveness" in the tourism sector;

²⁵ Asia, Caribbean and Pacific

²⁶ The United Nations' Millennium Development Goals MDG1 and MDG8 supported by the Commission's TRA in tourism are: "Eradicate extreme poverty and hunger" (MDG1) and "Develop a global partnership for development" (MDG8); cf. <http://www.un.org/millenniumgoals/>

²⁷ "Aid for Trade" (AfT) "is the development assistance provided in support of partner countries' efforts to develop the economic infrastructure and tools they need to expand their international trade. The AfT Initiative came into being at the December 2005 WTO Ministerial Conference of Hong Kong. (...) AfT is now an official OECD concept with six OECD/DAC categories, namely (1) Trade policy and regulations (TPR); (2) Trade development (TD); (3) Trade-related infrastructure (TRI); (4) Building productive capacity (BPC); (5) Trade-related adjustment (TRAd); (6) Other Trade-related needs. Trade-Related Assistance (TRA) covers AfT categories 1, 2 and 6 and excludes categories 3, 4 and 5 which are considered to fall under the 'wider AfT Agenda'" (Desk Report p.2)

²⁸ This also means that support to the development of tourism-related infrastructure such as airports cannot be considered by this study, since AfT Category 3 is not covered by EQ8.

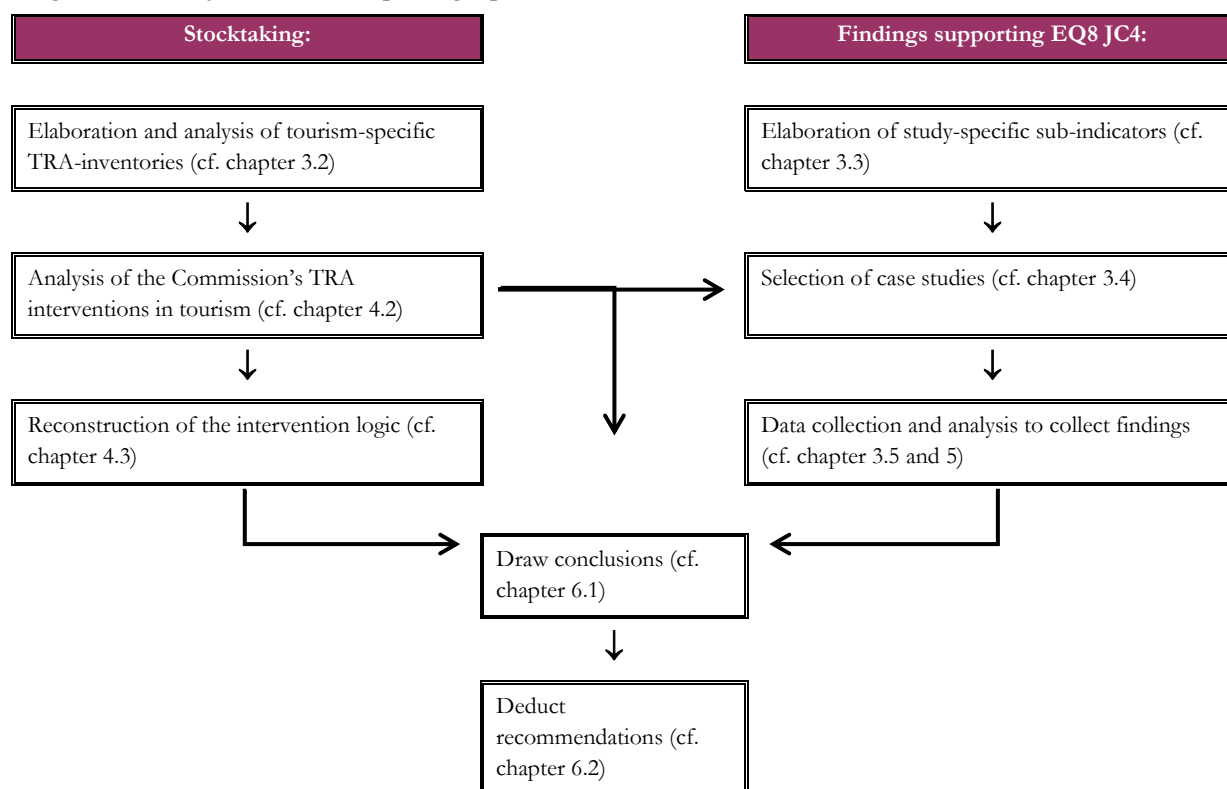
²⁹ "Trade Development and Private Sector Development in general go along with each other" (Desk Report p.8).

- The need to have a look at both, the evaluation's macro level, as well as EQ8 JC4's additional focus on mezzo and micro level within the last two indicators.

Possible overlaps with other areas of the “Thematic Global Evaluation of European Commission’s Support to Trade-related Assistance in Third Countries” have been taken into account when of significant importance for “trade in services”. This refers to aspects such as “employment generation” (forms part of EQ9), a simplification of visa procedures (could also be considered within EQ5).

The study was therefore oriented along two lines of action, comprising the following steps:

Figure 78: Lines of action and corresponding steps



3.2 Elaboration and analysis of tourism-specific TRA-inventories

The purpose of elaborating tourism-specific inventories on the Commission’s TRA in tourism and analysing them it a short stocktaking of the Commission’s TRA to support tourism development. The overall tourism-specific inventory is based exclusively on the predefined inventory on the Commission’s TRA, elaborated by the Evaluation Team during the Structuring Phase of the “Thematic Global Evaluation of European Commission’s Support to Trade-related Assistance in Third Countries”.

The overall inventory was divided into two, to differentiate whether tourism development was the focus of an intervention or not. This was done by dividing this tourism-specific TRA-inventory into the following two “sub-inventories” according to the two defined key areas (while each contract can only form part of one of them):

Table 84: Key areas

Key area A: “tourism” as main intervention’s focus	Key area B: “tourism” included as intervention within a broader, non-tourism-specific TRA decision
→ Key area A covers interventions within those TRA-	→ Key area B covers tourism-focused contracts within TRA

<p>decisions that mainly focus on tourism. It therefore includes all contracts within decisions in whose decision title the tourism-specific buzz words were detected.</p> <p>→ It also covers single interventions that had not been conducted within the frame of a decision but at individual contract basis.</p>	<p>decisions that do not have tourism as their main focus</p>
<p>An example for this kind of tourism focus is the “Tourism training programme” in Tanzania. This programme is based on a financing decision in the frame of which several contracts were signed to cover different aspects such as programme activities, external evaluations and audits, purchase of equipment, etc. All interventions carried out in the frame of this decision support the overall project “Tourism training programme”, therefore all such interventions form part of key area A, even though their title might not mention any tourism specific buzz word but only, e.g., “audit” and numbers.</p>	<p>To put an example, the below further detailed “Asia Invest Programme 2006-2007” did not specifically aim for tourism development, but tackled a broader context of investment and business development facilitation. Within this programme, call for proposals were launched to fund projects of smaller dimension via so-called action grants. Such funding was also open for projects supporting tourism development, as long as they supported the overall programme’s aim. Such contracts that focussed on tourism have been included into key area B, while other interventions carried out within the same decision but without tourism-specific focus have not.</p>

Due to the explained complexity of the tourism sector and the need to understand tourism as a phenomenon that cannot be analysed in an isolated way, this study cannot give detailed and exact data on possible changes in the Commission’s TRA in tourism over the evaluation period but presents tendencies only.

3.3 Elaboration of study-specific sub-indicators

Aiming at contributing to the evaluation’s EQ8 JC4, this study is based on the specific indicators that had been elaborated by the Evaluation Team at an earlier stage (cf. Desk Report p. 90). In order to being able to fully apply the already existing indicators, they have been adapted and brought into a tourism-related context. Table 85 provides an overview of this adoption. The justification for the respective translation has been included at the beginning of each chapter on the indicators’ findings (cf. chapters 5.4, 5.3, 5.1 and 5.2).

Table 85: Translation of indicators to the tourism-sector specific context

EQ8	To what extend has the Commission’s Trade-related Assistance support to Trade Development helped improving market access and investment climate?			
JC 8.4	Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission TRA support	→	Increased competitiveness of tourism enterprises oriented towards international visitors in specific, and of the tourism sector in general	
I. 8.4.1	Evidence of growth of exports of supported sectors	→	Evidence of growth of tourism’s contribution to GDPs, exports and employment generation	Chapter 5.4
I. 8.4.2	Geographic diversification of exports of supported sectors	→	Geographic diversification of nationalities of international visitors	Chapter 5.3
I. 8.4.3	TRA has contributed to an enabling environment for trade oriented sectors	→	TRA in the tourism sector has contributed to an enabling environment for tourism development	Chapter 5.1
I. 8.4.4	Evidence of trade oriented clusters, value chains or sectors being strengthened	→	Evidence of clusters or value chains oriented towards international tourism being strengthened	Chapter 5.2

To support the process of collecting relevant study-specific findings, attention has furthermore been given to carefully select the topic subject of research within each indicator. For this purpose, possible fields of findings have been pre-selected and adjusted during the course of data collection.

As already indicated earlier by the Evaluation team, “exact contribution of TRA (both positive and negative) is impossible to quantify due to external factors also impacting on competitiveness (attribution gap)” (Desk Report p. 53, also cf. chapter 3.7).

3.4 Case studies: purpose and selection

The selected approach to obtain findings for the above indicators was a qualitative one, based on two specific case studies. Their purpose is to provide specific, tangible and exemplary information at country/regional level for

- On the one hand, in-depth study allowing for exemplifying results and achievements; and
- On the other hand, allowing for obtaining exemplary information on TRA specifically focussing on tourism in comparison with tourism not being the principal focus of TRA
- And to draw conclusions along EQ8 JC4's indicators as well as for future interventions.

Two case studies have been selected bearing in mind that:

- It is to be assumed, that the countries and regions selected for the desk phase and the field phases of the “Thematic Global Evaluation of European Commission’s Support to Trade-related Assistance in Third Countries” do not necessarily overlap with those countries/regions that received tourism-related support, and consequently might most probably not represent a representative sample for “trade in services” either.
- In consequence, the present study needed to select an own sample of countries/regions with specific relevance of tourism-related TRA support.

When selecting the case studies, attention was given to aiming for as much difference as possible between the two case studies, in order to allow for a clear distinguishing of possibly different findings and effects. The following criteria have been applied:

Table 86: Criteria for selecting case studies

Criteria	Case study A: Tanzania	Case study B: Asia
Tourism-specific criteria		
Tourism	<ul style="list-style-type: none"> → Perceived to be high-end destination → Predominating segments: Safari and nature, sun and beach 	<ul style="list-style-type: none"> → By European travellers perceived to be budget destination → Increasing financial impact expected generated by its destinations → Predominating segments: Culture, nature, marine or mountaineering, sun and beach
Importance of tourism within “trade in services”	relatively high	relatively lower with IT services being more important
Intervention-specific criteria		
Key area	A: “tourism” as main intervention’s focus	B: “tourism” included as intervention within a broader, non-tourism-specific TRA decision
Zone benefiting from the support	Country at national level	Decision: Regional level Specific interventions: regional and world-wide
	Africa (Tanzania)	Asia (Bangladesh, Cambodia, China, Indonesia, Malaysia, Mongolia, Nepal, Pakistan, the Philippines, Sri Lanka, Thailand and Viet Nam)
Nature of the contract	Services and Financial Agreement (Decision at programme level)	Action Grants within one specific decision
Duration	Implementation phase of 24 months (+ closing phase of 24 months)	Implementation phases between 12 and 36 months
Support to T&T competitiveness pillar	<ul style="list-style-type: none"> → T&T regulatory framework → T&T human, cultural, and natural resources 	<ul style="list-style-type: none"> → T&T business environment and infrastructure → T&T human, cultural, and natural resources
Supporting EQ8 JC4	Special attention lies on I 8.4.1 (macro level)	Special attention lies on I 8.4.2 (micro level)

indicators		
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Sources: UNWTO, WTTC, WEF; EC / URT 2007a; Salazar 2009; ASEAN Secretariat n/d, UNESCAP 2007a; tourism-specific TRA inventory

The following specific interventions form part of the two case studies:

- Case study to cover key area A: “**Tourism Training Programme**” in Tanzania (decision FED/2006/017-915)
- Case study to cover key area B: Grants funded under the “**Asia Invest Programme 2006-2007**” (decision ASIE/2006/017-485):
 - “Bridging the gap among local people and global tourism business”, contract CN/ASIA-INVEST/038 (128-109)
 - “EU Transmongolia Partnership for sustainable tourism and related businesses development”, contract CN/ASIA-INVEST/046 (137-140)
 - “Asia Interprise Ecotourism and Sustainable Tourism”, contract CN/ASIA-INVEST/042 (137-141)
 - “European-Asian integration in sustainable tourism management (ASIAN-TOUR)”, contract CN/ASIA-INVEST/045 (137-343)
 - “Internationalising the Operation of Spas in the Philippines, Thailand, Malaysia and Indonesia”, contract ASIE/2007/137-365
 - “EU-EAGA Business & Technology Partnership (EU-EAGA BizTech Partnership) in Environment and Energy, Natural Resource (Forestry), Agriculture and Aquaculture and Ecotourism”, contract MY/ASIA-INVEST/07 (137-384)
 - “Communities in International Business. Common quality standards and marketing for Community Based Tourism Businesses in Asia”, contract ASIA-INVEST 2007/137-411
 - “Strengthening the Capacities of SMAPs in Nepal and Sri Lanka in order to Develop New Business Opportunities through Quality Upgrade, eTourism Know-How and Networking”, contract ASIA-INVEST 2007/141-859

3.5 Data collection and analysis

The findings collected as well as the conclusions drawn are exclusively based on the review of the following available literature:

- Inventory of TRA interventions elaborated by the Evaluation Team of the “Thematic Global Evaluation of European Commission’s Support to Trade-related Assistance in Third Countries” during the Structuring Phase;
- Project documentation, including external evaluation reports, if existing and available;
- The Commission’s documents related to development cooperation and to tourism;
- National tourism development plans and national development plans;
- Official statistics on national/regional balances of trade;
- Official statistics on tourism performance;
- Scientific research papers; and
- “Grey” literature such as newspaper articles.

The assessment combines quantitative as well as qualitative analysis.

3.6 Evaluation criteria applicable

While carrying out this study, the following evaluation criteria³⁰ had to be kept in mind, which had been assigned to EQ8 in the Desk Report (p. 9) of the “Thematic Global Evaluation of European Commission’s Support to Trade-related Assistance in Third Countries”.

Table 87 provides information on how the six tackled evaluation criteria have been adopted to the tourism-specific context of the study and how possible ways to interpret them could look like:

Table 87: Evaluation criteria applicable

Assignment by the evaluation’s Desk Report		Evaluation criteria’s significance ³¹	Adoption to TRA in tourism
Relevance	√	Consistency of the intervention’s <u>objectives</u> with beneficiaries’ requirements / countries’ needs / global priorities	→ The extent to which TRA in tourism has considered a country’s specific (development) context.
Effectiveness	√√	(Expected) achievement of intervention’s <u>objectives</u> (taking into account their relative importance)	→ (Expected) achievement of quantitative as well as qualitative objectives of TRA in tourism
Efficiency	√	Achievement of intervention’s outputs / desired effects with the lowest possible use of <u>resources/inputs</u>	→ Achievement of TRA in tourism’s effects in relation to the consumed inputs
Impact	√√	Long-term effects produced by interventions, may they be positive or negative, primary or secondary, directly or indirectly, intended or unintended	→ Quantitative as well as qualitative impact on tourism development by TRA in tourism (positive, negative, primary, secondary, direct, indirect, intended, unintended)
Sustainability	√√	Continuation of benefits of tourism development after completion of interventions	→ The extent to which TRA in tourism contributed towards a sustainable tourism development and towards a durable strengthening of tourism actors, incl. the type of tourism planned, service quality; a country/region’s image, type and extent of cooperation, etc.
Cross-cutting issues ³²	√√	The extent to which an intervention considered and contributed to the crosscutting issues of democracy and human rights, environmental sustainability, gender equality and HIV/AIDS	→ The extent to which TRA in tourism considered and contributed to the crosscutting issues of democracy and human rights, environmental sustainability, gender equality and HIV/AIDS (e.g. gender-related aspects being specifically tackled in intervention’s design)
3 Cs	-	Coherence / complementarity with the Commission’s development programmes and the Commission’s other policies; Coherence / complementarity with the partner country’s policies and with other donors’ interventions	→ The extent to which TRA in tourism has considered possible overlaps with other donors (e.g. UNWTO, SNV, ADB, WB) → The extent to which TRA in tourism has considered possible overlaps with the Commission’s sector policies (e.g. in the field of education or transport)
Added value	-	Benefits added to what would have resulted in the partner country without the Commission’s interventions	-

Legend: √√ The criterion is largely covered by EQ8
√ The criterion is partly covered by EQ8

³⁰ “Evaluation criteria” refer to the different angles from which an evaluation can look at the evaluation’s specific topic. They normally follow the traditional criteria for evaluation formalized by the OECD (DAC). Evaluations of the Commission’s development cooperation usually add two additional criteria, one on “coordination, complementarity, coherence” (3Cs) and one on “added value” (cf. European Commission 2006c: 49ff). Cross-cutting issues are frequently added hereto as well.

³¹ Based on European Commission 2006c: 49ff.

³² http://ec.europa.eu/europeaid/what/development-policies/cross-cutting-issues/index_en.htm

- The criterion is not covered by EQ8

While the criterion on „3Cs“ had not been included for EQ8 when attributing the evaluation criteria during the Desk Phase of the “Thematic Global Evaluation of European Commission’s Support to Trade-related Assistance in Third Countries”, this tourism-specific study found the need to consider it, paying attention to the complexity and high linkage of the tourism sector with other fields of intervention.

3.7 Limitations

The above said, it is clear that this study has been set into a very ambitious context. Readers therefore have to keep reminding of the following limitations:

- Strengthening the tourism sector by increasing its international competitiveness, not only caters international but also national visitors. Since, however, this study can only focus on trade-related aspects of tourism (and in doing so, only on international tourists visiting a foreign country) the effects of **domestic tourism** are disregarded herein. The impact domestic tourism may have on a country’s performance in poverty alleviation and sustainable tourism can be significant but has to be faded out for this study’s purpose focusing on trade-related tourism activities.
- Tourism is said to have a positive contribution on a country’s GDP. This is, however, only the case if the necessary goods for touristic consume and for tourism infrastructure can be **purchased within the country** itself and do not have to be imported. Otherwise, increased international tourism activity positively contributing to the export side of a country’s trade balance, would at the same time “only” result on equally intensive positive contribution to its import side. In consequence, few economic benefits would remain within the country and provide the basis for poverty alleviation.
- The eligibility of the worldwide applied **key performance indicators** to measure the economic impact of travel and tourism (cf. chapter 2.3) as valid indicators for poverty reduction has been questioned by a resent research (Van de Mosselaer 2010). The paper claims that “purposively linking up people to an industry can be distortive to the functioning of markets and presumes effective contract enforcing mechanisms” (ibid: iv). It details further: “Where the phenomenon of poverty is being reduced to tangible criteria, so is tourism among tourism development practitioners conveniently conceptualized as an industry or market sector (...) the full market-based solutions do not lead to a desired trickle-down effect, and thus to equality” (ibid: 1). Nonetheless, since this study was commissioned to explicitly look into trade-related aspects, such fundamental discussions cannot be deepened further but can only be borne in mind as limitation of this study.

Furthermore, the **attribution gap** significantly limits the evidences and statements of this study:

- Determining the effects *exclusively* resulting from the Commission’s TRA in tourism in such a complex set-up as tourism development can hardly be achieved. Possible parallel support by other donors and external factors³³ influencing tourism development would need to be taken into consideration, the support to possible upstream and downstream economic sectors would need to be analysed³⁴, even though they might, per se, not show any linkage at all with tourism related keywords. An overall approach would in addition need to bear in mind developments influencing

³³ The Tanzanian Government, for example, pointed out the effects of the worldwide economic crises in 2008/2009 on its tourism sector: „At the global level, our economy was negatively impacted by high oil and food prices and the global financial and economic crises. Much affected, in this regard, have been the volume and prices of exports, the flows of capital and investment, tourist arrivals and earnings from tourism“ (IMF / MoF 2010: vii).

³⁴ E.g. development support to private sector in general, including possible micro-projects aiming at company start-up

the tourism demand side and increased / decreased spending power in countries of origin of international tourists. Such an approach goes far beyond the possibilities of this study.

- Subject of this evaluation are interventions falling into the Commission's TRA *in tourism* only. Already when having a look at the above discussed factors that are all playing a critical role in tourism competitiveness (cf. chapter 2.4), assessing these interventions' effects in terms of increased competitiveness of enterprises in the tourism sector, without being able to take into account the Commission's support to other sectors of relevance for tourism development and competitiveness, can have limited meaning only.

In consequence:

- Special attention was therefore paid to evaluating whether relevant factors have been considered during the design, implementation and monitoring of the selected interventions. The underlying assumption is that the pure existence can be considered as necessary for possible effects.
- Due to this generally predominating attribution gap at impact level, this study cannot provide general findings applying for all interventions within the Commission's TRA in tourism. It is important to point out that this study can only provide exemplary findings, using the case study approach (cf. chapter 3.3).

4 The Commission's TRA in tourism

4.1 Tourism and the Commission's development cooperation

Tourism is no priority area of the Commission's development cooperation: It is not one of the main "intervention areas" for development cooperation financed by the European Commission; it is not one of its cross-cutting issues either³⁵.

However, the development of all the Commission's nine intervention areas³⁶ and tourism activity in the areas of development cooperation strongly influence each other. Supporting "peace and security", for example, contributes to an increased competitiveness of the support's beneficiary country or region. Understanding tourism-related assistance as part of trade-related assistance, support to tourism development falls within the Commission's priority intervention area "trade and regional integration". However, no specific emphasis on tourism is made on the specific website presenting this intervention area. Tourism can therefore hardly be seen an explicit priority area of the Commission's development cooperation. In coherence with this, no specific policy for "EU development assistance in tourism" can be found on the European Commission DG DEVCO's website³⁷. An intention³⁸ for a specific development *policy* in the field of tourism, focusing on increased partnership and competitiveness, has only been detected for *European* tourism destinations (European Commission 2006a).

Instead it seems that preference is being given to ensuring integration of tourism into the Commission's various existing policies (cf. European Commission 2010a: 13), being those policies in the fields of transport, competition, internal market, taxation, consumer protection, environment, employment and training, culture or regional and rural development policy (ibid.). Bearing in mind the above described complexity of the tourism sector, such approach is faithful to the tourism's character of "transverse nature" (ibid.).

Although not explicitly referred to at the Commission's development cooperation's website, the following document seems to be still valid and to provide the basis for the Commission's development cooperation:

- "Communication from the Commission to the Council and the European Parliament. A European Community strategy to support the development of sustainable tourism in the developing countries" (European Commission 1998)³⁹.

The document aims at "establish[ing] a strategic framework for European Community (...) activities in the tourism sector in developing countries in order to allow tourism to develop sustainably, thus ensuring the positive contribution of this sector in the long term"⁴⁰.

It details lessons learnt from past support to tourism (too centred on promotion and national tourism authorities as only counterparts) and points towards three main areas for future support:

- "encouraging the sustainable development of tourism (...);
- supporting the public authorities in planning and managing their policy in this area and also in ensuring effective monitoring (...); [and]
- helping to consolidate the role of industry in tourism in today's open and competitive market economy"⁴¹.

³⁵ Cf. http://ec.europa.eu/europeaid/what/development-policies/intervention-areas/index_en.htm

³⁶ Trade and regional integration. Environment and the sustainable management of natural resources. Infrastructure, communications and transport. Energy. Rural development (territorial planning, agriculture and food security). Governance, democracy and human rights. Peace and security. Human development. Social cohesion and employment (Cf. http://ec.europa.eu/europeaid/what/development-policies/intervention-areas/index_en.htm).

³⁷ Cf. European Commission, EuropeAid's development policies: http://ec.europa.eu/europeaid/what/development-policies/index_en.htm

³⁸ All references and communications available only indicate that the European Commission intends to develop such a policy, while a final policy has not been found.

³⁹ The last update of the corresponding website took place in June 2006.

⁴⁰ http://europa.eu/legislation_summaries/development/sectoral_development_policies/r12519_en.htm

⁴¹ http://europa.eu/legislation_summaries/development/sectoral_development_policies/r12519_en.htm

Researching further into the Commission's more recent communications related to supporting tourism development (in European destinations, however), reveals

- the importance of dialogue and partnership among tourism stakeholders (European Commission 2006a: 4), in order to respond to the complexity of tourism involving different economic sectors;
- the European Commission's intention to stimulate competitiveness in (the European) tourism sector by “developing innovation in tourism, reinforcing the quality of supply in all its dimensions, improving professional skills in the sector, attempting to overcome the seasonal nature of demand, diversifying the supply of tourist services and helping to improve statistics and analyses relating to tourism” (European Commission 2010a: 7).

Looking at today's two recommended priority areas for the Commission's development cooperation, as set in its “Agenda for Change” (European Commission 2011), well planned, designed and implemented support to tourism development contributes of one of the two priority areas, namely “inclusive and sustainable growth for human development”.

Financial instruments under which support to tourism development could be financed are listed in **Error! eference source not found.** of this study.

4.2 The Commission's TRA in tourism – general overview

There is limited documentation, literature and research available on the Commission's support to development cooperation in tourism. “Tourism” has neither been subject to a sectorial evaluation of the Commission's development cooperation⁴², nor to specific evaluation question covered by or country level evaluations of the Commission's intervention sectors in the period 2002-2011 (EC DG DEVCO-EuropeAid 2011).

This chapter is therefore based on the inventory established for the Commission's TRA contracts in the field of tourism that have been signed between 2004 and 2010 (cf. chapter 3.2). As explained above, only tendencies, but no absolute numbers or percentage figures are being presented here.

3.1.1.1 The Commission's TRA in tourism between 2004 and 2010

When looking at the specific **intervention titles** in the field of the Commission's TRA in tourism, it sticks out that:

- Less than 1% percentage of all the Commission's development cooperation contracts signed between 2004 and 2010 included a tourism-related buzz word in its contract title;
- The Commission's TRA in tourism's interventions often very generally refer to “(sustainable) tourism development”. This is so, although it has already been pointed out in the Commission's communication in 1998, that “concentrating efforts produces the best results”. In contrary, aiming too ambitiously or loosely at “tourism development” in general has proven to be rather ineffective (European Commission 1998: 11).

With regard to the **number of contracts and the contracted amounts**, the overall tourism inventory further reveals that:

- In 2010, more contracts for interventions of the Commission's TRA in tourism have been signed than in 2004;
- Also the accumulated contracted amount for all interventions contracted in 2010 is significantly higher than their corresponding sum for 2004;
- More than 90% of the Commission's TRA in tourism between 2004 and 2010 was assigned to interventions with contracted amounts of less than 1,000,000 Euros; around half of all contracts

⁴² Cf. http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports_by_theme_sector_en.htm

amounted less than 200,000 Euros. Still, only around 10% of overall funding for the Commission's TRA in tourism was envisaged to be shared among those 90+% of contracts;

- The average amount of "interventions with contracted amount of less than 200,000 Euros" was less than 100,000 Euros;
- The average amount of "interventions of less than 1,000,000 Euros" was even less than 500,000 Euros;

The **nature** of the Commission's TRA in tourism can be characterised the following way:

- Over the whole evaluation period, around one third of all the Commission's tourism-related TRA contracts was given to "service contracts", while their share of the overall contracted amount is slightly less.
- Around half of all contracts, but also around half of all budget assigned to the Commission's TRA in tourism, was given to "action grants". The number of action grants has increased in absolute as well as in relative terms, when comparing the contracts signed in 2004 with those signed in 2010. Also the (total as well as relative) funding made available for actions grants increased from 2004 to 2010, with an outstanding relatively high amount contracted in 2008.
- In consequence, from 2004 to 2010, an increasing importance of funding the Commission's tourism-related TRA via action grants can be observed.
- As per definition of the two key areas, no action grant can be found within key area A. Therefore, this observation fully applies to contracts focussing on tourism but funded within a broader, non-tourism-specific TRA decision.

Finally, observations with regard to the interventions' contracted **duration** reveal that:

- Around 10% of all intervention was contracted for a duration of less than twelve calendar months, together they received less than 3% of the overall funding;
- Both, the average amount of short-term as well as long-term contracts (less, respectively more than 12 months of implementation duration) have increased when comparing the average of contracts signed in 2004 and in 2010.

3.1.1.2 Key area A: "tourism" as main intervention's focus"

Having a look at those contracts only that were focussing on tourism in specific, the following significant differences can be observed. The described comparison always refers to the above presented overall performance.

- [Contracted amount] Interventions that have been contracted for less than 200,000 Euros show a lower average amount. The same difference can be observed for the Commission's TRA in tourism assigned to contracts of over one million Euros; this leads to the observation, that contracts with "tourism" as main intervention's focus are in general of lower contracted amount than the average funding for the Commission's TRA in tourism's contracts.
- [Duration] Within key area A and when comparing with the total of the Commission's TRA in tourism, the number of intervention that had been contracted for a duration of less than twelve calendar months, increased to even more than 20%. Funding assigned to these contracts increased relatively less, to around 5% of funding available for key area A.

3.1.1.3 Key area B: "tourism" included as intervention within a broader, non-tourism-specific TRA decision

Tourism-specific interventions within a decision not explicitly focussing on tourism differ from the Commission's "average" TRA in tourism in the following way:

- [Contracted amount] The key-area-specific analysis of the tourism-specific TRA-inventories revealed that tourism-specific contracts within non-tourism-specific decisions are of relatively higher contracted amount than the Commission's average funding for TRA in tourism.
- [Nature] Both, in terms of absolute number of signed contracts, as well as with regard to the relative share they hold of the contracted funds, action grants clearly predominate within key area B.
- [Duration] Almost all tourism-specific contracts within programmes of broader contexts have been signed for a duration of more than 12 months.

4.3 Reconstruction of the intervention logic

To facilitate the process of assessing the Commission's TRA in tourism, the author of this study has reconstructed its intervention logic, applying the Commission's evaluation guidelines (European Commission 2006e: 26ff). The main objective of producing this reconstructed intervention logic is to help clarifying the objectives of the Commission's interventions and translating them into a hierarchy of expected effects so that they can be assessed. The reconstructed intervention logic is visualized in the so-called "impact diagram". This diagram aims at:

- Providing an overview of the main objectives mentioned in the Commission's available strategic documents on development cooperation in the area of tourism;
- Giving an overview of the intended "chain of impact" of the Commission's TRA in tourism;⁴³
- Identifying the underlying assumptions of the Commission's interventions supporting the envisaged global impact; and
- Facilitating the understanding of the complexity of (sustainable) tourism development; the diagram aims at striking a balance between clarity and a true reflection of the complexity of tourism.

To identify relevant information to be included into the graphic reconstruction of the intervention logic or "impact diagram", the author of this study has mainly considered the following documents:

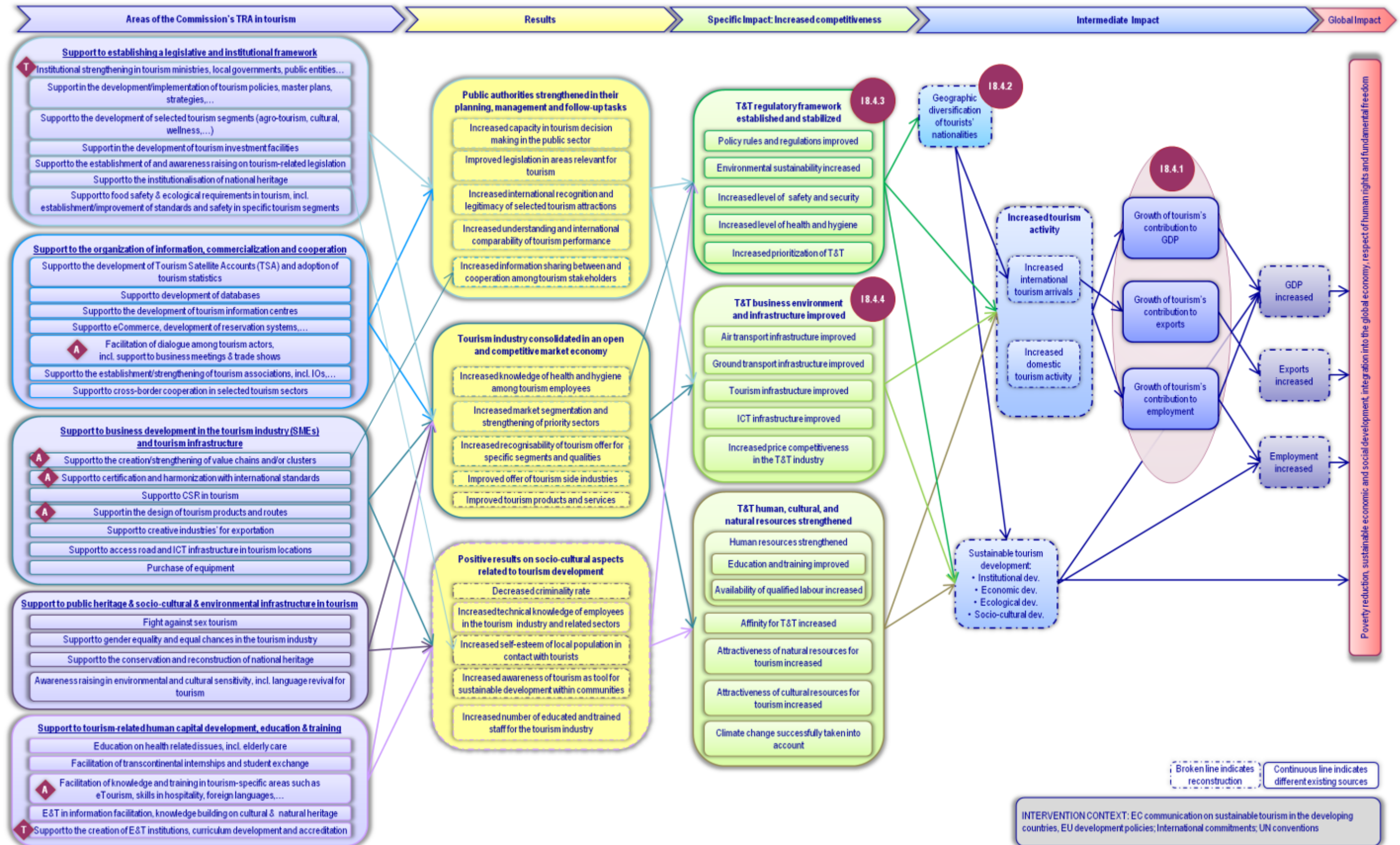
- European Commission (1998): "Communication from the Commission to the Council and the European Parliament. A European Community strategy to support the development of sustainable tourism in the developing countries)" is the only available strategic document for tourism development funded by the Commission, and therefore constitutes the core of this reconstruction of the intervention logic. Especially the cluster headings of the intervention logic's lower levels ("intervention areas" and "results"), but also the envisaged global impact refer to the "possible areas for action" and objectives set out in this document;
- The inventory of the Commission's contracts in the field of trade-related assistance and signed between 2004 and 2010 (extracted from the Commission's database CRIS), is the basis for detailing the type of TRA interventions in tourism within the defined intervention clusters;
- EQ8 of the "Thematic Global Evaluation of European Commission's Support to Trade-related Assistance in Third Countries" defined the intermediate impact aiming to support indicator 8.4.1 on evidence of growth. The reconstructed intervention logic of the Commission's TRA, as analysed in the Inception Report of the "Thematic Global Evaluation of European Commission's Support to Trade-related Assistance in Third Countries", has provided a valid basis for translating it into the tourism-specific context.

⁴³ Resent scientific research pleads for studies like this to "measure outreach, not impact" (Van de Mosselaer 2010: iv). To comply with the Commission's approach and methods for evaluating external aid, this study does not enter into discussion of this proposal but follows the Commission's official evaluation methodology.

- World Economic Forum (2011): “The Travel & Tourism Competitiveness Report 2011. Beyond the Downturn” and its 14 pillars of Travel and Tourism competitiveness defines the specific impact on increased competitiveness.
- Finally, European Commission (2010a): “Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Europe, the world’s No 1 tourist destination – a new political framework for tourism in Europe” and European Commission (2006a): “Communication from the Commission. A renewed EU Tourism Policy - Towards a stronger partnership for European Tourism” have also been taken into ‘indirect’ consideration in the reconstructed intervention logic. Although aiming for strengthening tourism in *Europe*, they are understood to provide more recent information on the Commission’s approach to and understanding of sustainable tourism development than the Communication dating back to 1998.

After the study of the key documents currently available, the specific “results”, as well as the cluster heading on socio-cultural aspects have been deduced as logical linkages between the areas of the Commission’s TRA in tourism and its specific impacts of competitiveness, in order to visualize and underline the chain of impacts. Also the different intermediate impact levels have been subject to reconstruction, in order to link the specific impact of increased competitiveness with the global impact of “poverty reduction, sustainable economic and social development, integration into the global economy, respect of human rights and fundamental freedom”.

Figure 79: Intervention logic of the Commissions TRA in tourism (reconstructed)



Sources: European Commission 2010a; European Commission 2006a; European Commission 1998; EC CRIS database; WEF 2011

Note: T&T = Travel and Tourism; IOs = Intermediary Organizations; A = interventions similar to the ones covered by the case study on Asia; T = interventions similar to the ones covered by the case study on Tanzania

The above included Figure 79 visualizes the reconstruction of the intervention logic of the Commission's TRA in tourism worldwide 2004-2010.

The reconstructed impact diagram follows the following logic:

- The areas (composed of the specific interventions) of the Commission's TRA in tourism are expected to lead to specific results. These results have a specific impact, in our case on the competitiveness of the tourism sector. Such (expected increased) competitiveness (positively) contributes to more abstract intermediate impacts which, again, influence a global impact, such as increased poverty reduction.

For example:

- The education and training of staff working in the tourism sector on health related issues (specific intervention) leads to an increased knowledge of health and hygiene among tourism employees (result). This contributes in various ways to an increasing competitiveness in the tourism sector. On the one hand, it increases the level of health and hygiene and by that strengthens the tourism's regulatory framework (specific impact). On the other hand, it improves the kind of training received by closely aligning it with visitors' needs, which strengthens the human resources working in the travel and tourism industries (specific impact). Both these specific impacts are assumed to contribute, via an increased tourism activity, to a growing contribution of tourism to GDP, employment and exports (intermediate impacts). In combination with a parallel sustainable tourism development⁴⁴, these are expected⁴⁵ to positively influence sustainable economic development and poverty reduction (global impact).

It catches the eye that all specific indicators (I 8.4.1 – I 8.4.4) that are to be analysed by this study are to be found at impact level. This leads back to the original EQ8: Within the “Thematic Global Evaluation of European Commission's Support to Trade-related Assistance in Third Countries”, EQ8 is placed between the specific impact “enhanced international competitiveness of enterprises” and the intermediate impact “increased and diversified trade in goods and services”. In consequence, also its judgment criteria JC 8.4 on increased competitiveness of the tourism industry and related indicators have to be analysed at impact level⁴⁶.

JC 8.4's indicator I 8.4.4 is to measure the extent of clusters or value chains in the tourism sector being strengthened. It therefore aims at analysing any possible change of the tourism sector's business environment and tourism infrastructure that could contribute to an increased competitiveness of the sector.

The indicator on enabling environment, I 8.4.3 is set to analyse from the macro perspective, capturing the field of the regulatory framework for tourism development.

Indicators I 8.4.1 and I 8.4.2 are based on the assumption that a growth of exports and a geographic diversification of exports of supported sectors are caused by an increased competitiveness which, in turn, was caused (or at least influenced) by the results of the Commission's TRA in tourism. Such growth, visible in the “upper half” of the intermediate impacts, can be measured by quantitative data.

⁴⁴ “Size reveals nothing about actual, or potential, distributional impact” (ODI 2007b: 1), therefore, the need for a *sustainable* development of the tourism sector.

⁴⁵ The underlying assumption here is that they indeed do contribute. Literature indicates that this does not, per se, have to be the case. The ODI (2009) for example points out that “the pro-poor impact of people working in the tourist sector is often surprisingly muted, given that tourism is proportionately more labour intensive than other non-agricultural sectors, and many of those in tourism jobs are from poor backgrounds. As wages are generally low, wage income to non-managerial staff is often only 10% of hotel turnover, sometimes less. However, direct employment can be significant when the wages of tourist workers are relatively high (as in Cape Verde and South Africa) or the impact of low wages is counteracted by high labour intensity and generous tipping (e.g. climbing Mount Kilimanjaro in Tanzania, where four staff accompany each tourist)” (ODI 2009: 3).

⁴⁶ For reading through a comprehensive discussion and guidance on “what information do we need to monitor and measure impact” of tourism interventions on poverty reduction, a recent research paper by the ODI (2008) can be recommended.

However, if missing a parallel qualitative analysis of the “lower half” on “sustainable development”, no sound reasoning can be given to support the hypothesis of the Commission’s TRA in tourism supporting its overall objectives and reaching its global impact. Limited literature exists analysing the linkage between growth of tourism exports (and economic growth in tourism in more general terms) and poverty reduction⁴⁷ and supporting the assumption of positive impact.

In addition, it has to be borne in mind that tourism development and the tourism sector’s competitiveness are also strongly influenced by the development of other key sectors, including the Commission’s assistance to any other sector relevant for tourism development. In consequence, any intention to generally measure the effects of the Commission’s TRA in tourism would, in theory, reach much beyond the possibilities of this study.

Still, the above figure presents the Commission’s intervention within TRA in tourism; therefore, the aim of this study will be to try to identify exemplary proof of positive impact of the Commission’s TRA in tourism.

Trying to embed this impact diagram into the overall context of the Commission’s trade-related assistance, the author of this study would like to follow the statement of a study commissioned by the International Institute for Sustainable Development (IISD) that

“found that the links between trade liberalization, tourism and sustainable development are difficult to establish because of the range of services included under the tourism heading and each one’s differing contribution towards poverty alleviation, economic growth and employment” (IISD 2003: 4).

⁴⁷ “Studies on the economic impact of tourism are rare. Investigations on the topic have been ad hoc or partial, generally centered on the estimation of tourism expenditure and ignoring, to a great extent, productive aspects as well as basic microeconomic information to understand the behavior of all linked actors” (BID 2006: 9, translated). Also cf. Markandya et al. 2003: 12 and 21.

5 Findings to support EQ8 JC4

The “Thematic Global Evaluation of European Commission’s Support to Trade-related Assistance in Third Countries” is grouped around nine evaluation questions (EQ) addressing different elements of trade and the Commission’s development cooperation in trade. This study supports EQ 8: “To what extent has the Commission’s TRA support to trade development helped improving market access and investment climate?”

For being able to answer this question, four judgement criteria (JC) look into different aspects relevant for market access and investment climate, including the competitiveness of export-oriented enterprises within the forth JC. Increased competitiveness is also the focus of this sector-specific study aiming at exemplary providing responses with regard to a possible increased competitiveness in the service sector, more specifically, in the tourism sector.

JC 8.4: Increased competitiveness of export-oriented / trade-oriented enterprises in sectors of Commission TRA support (incl. fisheries, agriculture and forestry)



Increased competitiveness of tourism enterprises oriented towards international visitors in specific, and of the tourism sector in general

Trying to assess the competitiveness of enterprises, one has to bear in mind the overall setup picturing tourism competitiveness as being influences of many different factors, and as being composed of various decisive competitiveness pillars (WEF 2011: 5, cf. chapter 2.4). As such, the competitiveness of tourism enterprises cannot be assessed taken off of the overall set-up for tourism development. **A tourism enterprise can only be as competitive as its institutional, environmental, economic and socio-cultural surrounding allows it to be.** Therefore, this study has to be sensitive towards the overall competitiveness of the tourism sector, rather than solely focussing on tourism enterprises.

Having said so, this chapter presents the findings of this study’s two case studies relating to EQ8 JC4 and its four indicators which have been adapted to serve a tourism-specific context:

The present study intends to analyse the competitiveness of enterprises in specific and of the tourism sector in general by looking at their performance at macro and micro level. This is taken account of within chapter 5.1, focussing on enabling environment for tourism development and on a possible increased competitiveness of the tourism sector in the field of its “regulatory framework” (cf. chapter 2.4), and within chapter 5.2 analysing the extent of strengthened clusters or value chains in the tourism sector.

The competitiveness of *enterprises* is not measured by any official statistical data; therefore, it is only possible to deduct any possible effect on the basis of available project documentation.

Too much dependence on only a few source regions for international tourism arrivals to a specific tourism destination makes it vulnerable to external effect such as economic crisis within the countries forming the destination’s main target markets, or political developments that hinder the arrival of tourists of specific nationalities. In order to prevent such vulnerability, geographic diversification of exports (here: international tourist nationalities) is crucial. Chapter 5.3 analyses the extent of geographic diversification of international tourism arrivals to the case studies’ countries and explores whether any findings can be attributed to the Commission’s TRA in tourism.

Finally, chapter 5.4 gives an overview of growth of tourism exports in the case study’s countries and puts it into relation to the Commission’s TRA in tourism.

All four selected indicators aim at assessing the Commission’s TRA in tourism at impact level. To better reflect indicators’ positions within the reconstructed intervention logic (cf. chapter 4.3), they are being presented in a different order (8.4.3, 8.4.4, 8.4.2, 8.4.1).

Before however going into the finding's details, we should have a read of how the World Economic Forum (WEF)'s Travel & Tourism Competitiveness Index (TTCI; cf. chapter 2.4) rates the competitiveness of the countries benefitting from the Commission's specific interventions covered by the selected case studies.

Putting the "Tourism Training Programme" in Tanzania into its national context and general tourism sector development intentions, it was noted that **Tanzania's overall travel and tourism competitiveness decreased** from 2007⁴⁸ to 2011⁴⁹.

- Tanzania's travel and tourism competitiveness in the area of regulatory framework decreased from 2007 to 2011⁵⁰.
- Tanzania's travel and tourism competitiveness in the area of business environment and infrastructure decreased from 2007 to 2011⁵¹.
- Only Tanzania's travel and tourism competitiveness in the area of human, cultural, and natural resources increased from 2007 to 2011⁵².

The Commission's supported TRA in tourism intervention was designed to contribute to an increase of both the first as well as the third area. However, no evidence could be obtained to attribute the positive development of the third competitiveness area to the Commission's TRA in tourism, since the programme did not reach to achieve the envisaged results expected to positively contribute to the establishment of an appropriate institutional framework for tourism training.

Specific interventions within the Commission's Asia Invest Programme 2006-2007 and specifically titling tourism targeted Bangladesh, Cambodia, China, Indonesia, Malaysia, Mongolia, Nepal, Pakistan, the Philippines, Sri Lanka, Thailand and Viet Nam. Looking at these twelve countries' competitiveness of the tourism sector, it becomes visible that **eight of the beneficiary countries in Asia increased their overall competitiveness from 2007 to 2011**. Nevertheless, most⁵³ of the twelve countries rank within the second half of the list of countries.

In terms of competitiveness within the three TTCI subindices, only five of them increased their competitiveness within the TTCI subindex A "travel and tourism regulatory framework", and only six countries improved their basis for competitiveness in the field of subindex B "business environment and infrastructure".

While competitiveness has increased in some fields, there is no evidence that the Commission's TRA in tourism was the cause of it due to the limited possibility to retrace national competitiveness to specific interventions at local or tourism segment level.

⁴⁸ 2007 was the first year a report on travel and tourism competitiveness was published by the WEF.

⁴⁹ from a TTCI rank of 80 (out of 124) in 2007, to a TTCI rank of 110 (out of 139) in 2011

⁵⁰ from a TTCI rank of 72 (out of 124) in 2007, to a TTCI rank of 121 (out of 139) in 2011

⁵¹ from a TTCI rank of 89 (out of 124) in 2007, to a TTCI rank of 127 (out of 139) in 2011

⁵² from a TTCI rank of 75 (out of 124) in 2007, to a TTCI rank of 56 (out of 139) in 2011

⁵³ With the exception of Malaysia, China and Thailand whose overall travel and tourism competitiveness ranks 35, 39 and 41 respectively (WEF 2007 and WEF 2011).

5.1 Environment better enabling international tourism

I 8.4.3 TRA has contributed to an enabling environment for trade oriented sectors



TRA in the tourism sector has contributed to an enabling environment for tourism development

3.1.1.3.1 *Understanding and coverage of the indicator*

The aim of this indicator is to assess the extent of the enabling environment being conducive for increased competitiveness of export-oriented/trade-oriented enterprises. It focuses at developments and changes at macro level.

“Enabling environment” for a development and increased competitiveness of the tourism sector could refer to anything. Subsequent analysis could look into the (changed) existence of tourism-related trade unions or regional promotion agencies; it could assess the (change of) market access for tourism companies and the attractiveness for investments in the tourism sector; or it could analyse the (changed) capacity for advocacy through private sector organizations on tourism development vis-à-vis the Government. All these aspects “enable” and positively influence tourism development.

Still, in order to search for helpful findings supporting EQ8 JC4, the possible and reasonable scope of this indicator needed to be clearly narrowed down.

“In order to have a successful tourism export industry, effective linkages need to be established with many different sectors, most of which are other services. Trade and investment liberalisation at the national, regional and multilateral levels can be a means to complement national efforts to attain these goals. Sustainable tourism development, though, requires strong public sector management and support.” (OECD 2007: 2)

It was therefore decided to concentrate on aspects falling within the T&T regulatory framework that is mainly to be found at and measured within public sector actions. In consequence, the focus of this indicator was set on the first of TTCI's subareas of competitiveness. This chapter therefore looks into the respective competitiveness pillars according to WEF's TTCI: Policy rules and regulations, environmental sustainability, safety and security, health and hygiene and prioritization of travel and tourism (cf. chapter 2.4). Another two fields of analysis has been added, covering aspects of institutional strengthening and sustainability of project outcomes.

A report summarizing the Inter-American Development Bank's experience in development cooperation in tourism concludes that “due to the variety of activity areas required for tourism development, if one intends to interfere in all of them within one and the same project, the dispersion of efforts supposes minor impact and loss of efficiency” (BID 2006: 27) and recommends to concentrate on support to strategy and plan development at national or subnational level (ibid).

The below presented findings are based on information obtained from national tourism development plans and national development plans, the Commission's Country Strategy Paper. In addition and whenever available, careful attention was given to the case studies' specific interventions' project documentation such as, for the design, Financing Agreements (FA), Technical and Administrative Provisions (TAPs) and Logical Frameworks (LF), and, for the closure of an intervention, reports of Result Oriented Monitoring (ROM), of Mid-Term Reviews (MTR), final project reports or external final evaluation reports.

This indicator covers the evaluation criteria relevance, efficiency, sustainability, 3Cs and cross-cutting issues.

3.1.1.3.2 *Summary of findings*

The Commission's TRA in the tourism sector has insufficiently contributed to an enabling environment for tourism development.

On the one hand, the objective of strengthening the institutional framework for training in tourism in Tanzania was not achieved; neither has a sufficient monitoring system been put in place. Therefore, the programme could also contribute to improving the country's tourism sector environment. Still, the Commission's TRA in tourism can be perceived to have contributed to setting the ground for an improved enabling environment, if careful follow-up by relevant stakeholders is ensured.

On the other hand, specific interventions of the analysed Commission's TRA in tourism in Asia have contributed to the strengthening of various factors relevant for durably strengthening the targeted Asian countries enabling environment for tourism through institutional strengthening.

Still, the analysis of the case studies' regulatory framework in tourism revealed deficits in related competitiveness since in most cases insufficient attention has been paid to aspects of policy rules and regulations, environmental sustainability, health and hygiene, and safety and security, which are strongly influencing a visitor's decision to visit or not visit a specific destination and, by that, influencing the tourism sector's potential to finally contribute to poverty reduction.

The level of policy rules and regulations was not sufficiently borne in mind by the analysed specific interventions within the Commission's TRA in tourism. Evidence from both case studies' countries point towards insufficiently taken into account aspects influencing a country's competitiveness in tourism such as visa facilitation or tax regulations. A specific intervention cannot focus on all different indicators influencing competitiveness, but needs to bear them in mind if striving for effective project implementation and long-lasting impact at intermediate and global level.

Source: WTTC; case studies' project documentation

In Tanzania, the intention to establish an institutional framework for tourism training through the creation of a new, countrywide administrative body was not achieved. No reference has been found in the analysed documents with regard to the country's recent history or current administrative setup being considered. In conclusion, support to TRA in tourism focussing on changing institutional settings can only be successful if taking into account a country's institutional framework outside the tourism sector as well as cultural, historic and political factors. Furthermore, necessary complementary legal and regulatory actions had not been included into the programme's design.

Source: Case studies' project documentation

Evidence from Asia suggests that the analysed tourism-specific action grants to a great extent successfully contributed to institutional strengthening. Positive examples include indirect institution building on *sustainable* tourism and its potentials to contribute to poverty reduction, successfully established cross-border cooperation, linkage of direct capacity building with indirect institution building of public counterparts, and awareness rising of and positively ranked training sessions on the regional and country specific policy and regulatory framework. These positive effects can contribute to an increased competitiveness of tourism enterprises in specific and the tourism sector in general.

Source: Case studies' project documentation

Prioritization of travel and tourism is a precondition for successful and effective tourism development. Prioritization of travel and tourism exists in Tanzania – even too much, it seems since literature indicates that other sectors were neglected in turn. Competitiveness of the tourism sector however requires a harmonized development of all sectors relevant for tourism development and tourism competitiveness. Prioritization of travel and tourism exists in most Asian countries covered by the exemplary selected case studies. It has however also been found an example aiming at carrying out a specific intervention within a less favourable sector priority environment, which significantly reduces the specific project's possibilities to contribute to an increased competitiveness of the tourism sector and an enabling environment better enabling international tourism.

Source: Development plans, CSE; case studies' project documentation

Environmental sustainability seems not to be a major concern of the analysed examples of the Commission's TRA in tourism. Limited evidence has been detected of environmental sustainability

being addressed in the available project documentation – neither as specific field nor as cross-cutting issue. However, bearing in mind aspects of environmental sustainability such as sound environmental legislation already at planning stage, would allow for better judging on a specific intervention's effectiveness despite its and competitiveness' dependency of external effects.

Source: Case studies' project documentation

Evidence from both case studies, Tanzania and Asia, suggests that the Commission's TRA in tourism did not paid special attention to aspects of health and hygiene influencing competitiveness in tourism. Project documentation of the analysed examples of the Commission's TRA in tourism hardly mentioned related influencing factors such as commitment against child sex tourism or HIV/AIDS as cross-cutting issue. In Tanzania on the one hand, evidence was found by the external project evaluators indicating at possible negative influence on the tourism sector's competitiveness with regard to health and hygiene by distributing training material with wrong contents. In Asia on the other hand, the Commission's TRA in tourism seemed to have successfully contributed to train spa employees in health and hygiene related topics. With the exception of such examples, no statement can therefore be given of the Commission's TRA having successfully tackled this pillar of competitiveness.

Source: Case studies' project documentation

The design of the analysed specific interventions funded within the Commission's TRA in tourism did not give special consideration to safety and security related aspects of competitiveness. The example programme in Tanzania, as well as in most exemplary selected action grants in Asia, did not include related background and context information into the design of their specific interventions, although safety and security is to be seen as decisive factor strongly influencing tourists' perception of a destination and, by that, international tourism arrivals to the country. Only one available project catalogue successfully addresses this sensitive topic in a way that encourages instead of prevents tourists from visiting destinations of vivid recent past. The opportunity to address one significant field of competitiveness has therefore in general not been taken advantage of by the Commission's TRA in tourism subject to case study analysis.

Source: Case studies' project documentation

The analysed Commission's TRA in tourism was designed to contribute to various relevant aspects influencing sustainability at macro and institutional level. In Tanzania, a lack of project ownership, not sufficiently well developed and distributed training materials and curricula and the missed the opportunity to train trainers, however, clearly and negatively affects sustainability and the desired increased competitiveness in the tourism's sectors. Deficits in monitoring in addition do not for a comprehensive assessment of impacts.

The second case study covering Asian countries, in contrast, provides various positive examples for sustainability and effects contributing to an increased competitiveness of the tourism sector. Evidence includes, in some cases, increased gender equality, image change and support to disadvantaged groups of the population.

Sustainability and long-lasting effects on an increased competitiveness can however only be achieved with careful and long-term time planning paying attention to as many as possible factors influencing timing within all ends of the tourism service chain.

Source: Case studies' project documentation

5.2 Strengthened tourism-oriented clusters or value chains

I 8.4.4 Evidence of trade oriented clusters, value chains or sectors being strengthened



Evidence of clusters or value chains oriented towards international tourism being strengthened

3.1.1.3.3 Understanding and coverage of the indicator

While the before chapter had a look at macro level development, the picture needs to be complemented with information on a possibly changed competitiveness at micro level. This indicator thus aims to look at a broad range of approaches and drivers for increasing competitiveness at the level of specific enterprises and their business environment. In doing so, it caters to the TTCP's second competitiveness subindex on "travel and tourism environment and infrastructure".

Assessing the effects of support to tourism development, this indicator needs to look into something more specific than just a "strengthened tourism *sector*". Therefore, the focus has been set on clusters and/or value chains in the tourism sector.

In general terms, cluster simply refers to a group of things of the same kind. The tourism sector itself is defined by the UNWTO as "cluster of production units in different industries that provide consumption goods and services demanded by visitors"⁵⁴. For the purpose of this study and for allowing a clear differentiation between "tourism clusters" and "tourism value chains", the following understanding guides this study's research:

A **tourism cluster**, in line with the general definitions based on Porter's cluster concept⁵⁵, can be defined as a conglomeration of businesses or institutions within a limited geographic range providing services or products that are relevant for the tourism activity. Clusters aim for strengthened coordination and joint planning among different stakeholders and actors in order to increase competitiveness.

Tourism clusters can exist "in two ways" (Kindl 2005: 51 cf. Rodrigues 2001: 307):

- **Horizontal** creation of "strategic alliances" (ibid) clustering service providers with the same kind of products/services or "between enterprises working with the same group of customer satisfaction, but offering different product components" (ibid). This also includes clustering with a focus on one specific tourism segment (e.g. adventure tourism) only, or the creation of thematic routes; and
- **Vertical** creation of "strategic nets" (ibid) along the tourism service supply chain.

"Clusters tend to increase the productivity and efficiency of regional economies and stimulates their economic development" (Malakauskaite 2011: 14). However, not only research (e.g. cf. Malakauskaite 2011⁵⁶: 5) but also common sense points towards *partnership* as the basis for the successful implementation of tourism clusters. Therefore, a strengthened partnership will be crucial when intending to assess possible increased competitiveness of tourism clusters.

Secondly, "at the development phase the competitiveness of a tourism cluster is not constant or stable" (ibid: 22), leading to the conclusion that *sufficient time* will need to be allowed until a created cluster reaches its full potential in terms of competitiveness.

Thirdly, "recent studies strongly indicate that competitiveness is directly linked with *advanced specialized factor* based on knowledge developed specialized infrastructure, high technology and innovation, where there is a natural correlation between the innovative capacity of enterprises and its size. How exactly these

⁵⁴ UNWTO, <http://media.unwto.org/en/content/understanding-tourism-basic-glossary>

⁵⁵ "Although agglomeration is not a new concept in economic theory, the application of clustering models in contemporary economics is primarily the result of research of Professor Michael E. Porter." (Ivanovic 2010: 47). Porter's definition reads: "Clusters are geographic concentrations of interconnected companies and institutions in a particular field, linked by commonalities and complementarities" (Ivanovic 2010: 48, quoting: Porter, M. E., Clusters and the New Economics of Competition, Harvard Business Review, Vol. 76, Issue 6, Nov/Dec 1998, p.78).

⁵⁶ Research paper aiming at determining factors of competitiveness of a tourism cluster on the basis of its life cycle

factors are often unavailable to small and medium-sized enterprises, the question is how to make them more *accessible*, in order to increase competitiveness of tourism products and services” (Ivanovic 2010: 54). The key criteria for competitiveness in tourism clusters can therefore be summarized as partnership, time, specialization and access.

“The value chain describes the full range of activities which are required to bring a product or service from conception, through the different phases of production ..., delivery to final consumers and final disposal after use”⁵⁷. **Value chains in the tourism sectors** are to be seen vertically only, including “the full range of activities that are required to bring a tourist to a destination and provide all the necessary services” (ODI 2009: 1). The tourism value chain includes,

- At tourism emitting markets: travel agencies, in direct contact with the final consumer in situ or via internet; global distribution systems (GDS) for reservations made by travel agencies and airlines; outgoing tour operators putting together packages at aggregated level; and international transportation service providers;
- At a recipient tourism destination: national companies transporting internationally; incoming tour operators (that sometimes also directly commercialize their products on international markets); accommodation providers; hospitality businesses; local transportation companies; leisure time and sports operators; and the souvenir, handicraft or duty-free industry. If understood in a more general way, also real estate service providers, the organization of cultural or other events, and tourist guide service providers are to be included into a comprehensive tourism value chain (cf. BID 2006: 16).

Being aware of these various elements of the tourism supply chain and aiming for assessing possible impact on poverty reduction of the tourism supply chain being strengthened,

“value chain diagnostics (...) show clearly that the impact of this sector on the poor varies considerably. It is, therefore, meaningless to use development funds to support tourism just because of its inherent characteristics (i.e. labour intensity, gender profile or growth potential). Sometimes international tourism is an effective way to transfer funds from rich tourists to poor people at destinations where, for every \$4 spent by a tourist, \$1 reaches the poor. Sometimes it is not” (ODI 2009: 2f)

Specific methodologies have been developed to assist, such as the value chain analysis by the Overseas Development Institute (ODI) whose aim is to trace financial flows through the tourism industry and measure the extent reaching “the poor” (cf. ODI 2009). ODI’s researches focus on “pro poor income” (PPI) and, by that, on the tourism sector’s contribution to poverty reduction beyond the indicators of overall GDP and employment which are frequently used but not sufficiently far-reaching when aiming at measuring the impacts of tourism development on poverty reduction.

ODI staff found examples of a food supply chain where it was positive to have “diversified agricultural sector, dominated by small-holders” (ODI 2009:3), or of a craft chain that enabled high craft spending per tourist, if quality was high, “because crafts are traditionally made by ethnic minority women, often sold by producers or small traders, and draw heavily on local raw materials (silk, cloth, paper, and silver)” (ibid). They conclude that “inter-sectoral links between tourism and the non-tourism economy” (ibid) are crucial for increasing impact on poverty reduction, e.g. through its benefits to farmers, artisans and construction workers.

The ODI research paper differentiates further that “destinations with already high linkages between tourism and the rest of the economy can boost PPI by simply expanding tourist spending” (ibid: 3f), while “destinations with low linkages should prioritise strengthening linkages, rather than just sector expansion” (ibid: 4). It further recommends in three specific entry points for future interventions⁵⁸, that do not simply focus “on specific production sectors, such as supporting craft workers or farmers” (ibid).

⁵⁷ ODI 2007a: 1, quoting: Kaplinsky, R. and Morris, M. (2002) A Handbook for Value Chain Research, IDRC

⁵⁸ “The choice of intervention ‘entry point’ is critical. (...) our research has recommended action in:

The application of the ODI's methodology for tourism value chain analysis and pro poor income effects requires several phases including weeks for field visits for each single intervention subject to analysis. In consequence, measuring the effects of the Commission's TRA in tourism on value chains and them possibly being strengthened would require an extent in time and resources that, unfortunately, goes beyond the scope of this study. Therefore, again, in order to obtain specific findings allowing for a sustained judgement of the effects of the Commission's TRA in tourism for the two case studies, analyse has concentrated (not exclusively but focussed) on available project documentation and related contexts.

The analysis conducted for researching this specific indicator is to a great extent based on available project documentation and complemented by secondary literature.

This specific indicator covers the evaluation criteria effectiveness, sustainability and cross-cutting issues.

3.1.1.3.4 *Summary of findings*

The analysed case studies on the Commission's TRA in tourism as insight on "trade in services" contributed to improve the tourism sectors' competitiveness in business environment and tourism infrastructure. Evidence collected in the case studies suggest that clusters in tourism have been partially strengthened. Support to value chains in tourism has focused on the "export end" of the value chain – while commercialization is considered to be highly relevant, also the importance of focussing on the entire value chain, as well as considering the pro-poor impact of sustainable tourism development should not be neglected.

Some few cases of the selected case studies described highly relevant support to strengthening clusters and value chains in the tourism sector. Within the Commission's TRA in tourism, specific interventions did however, in their majority, not focus on strengthening horizontal or vertical clusters or entire value chains. No evidence for an explicitly formulated focus on specific tourism segments and target groups could be found either.

Source: Case studies' project documentation

Literature points towards weak value chains or clusters in the tourism sector in Tanzania. The analysed research papers and development cooperation reports indicate that the potentials of tourism to contribute to pro-poor income and poverty reduction have not been taken advantage of.

No evidence could be found that the Commission's specific intervention in TRA in Tanzania had contributed to strengthening value chains or clusters within the tourism sector or with related sectors either, due to the otherwise directed objectives of the intervention.

Nevertheless, literature suggests that strengthening value chains in the tourism sector could have significant impact on poverty reduction.

Source: SNV, scientific research papers; case studies' project documentation

In Asia, the analysed Commission's TRA in tourism mostly focused already at the design stage on the "export end" of the tourism value chain leaving aside the importance of strengthening the entire value chain. Specific tourism-related interventions within the Asia Invest Programme 2006-2007 were designed to support commercialization with the European market, including capacity building in e-tourism. Specific tourism-related interventions aiming for the entire value chain did not succeed in all their desired project results.

→ The retail end of the chain: e.g. making it easier for tourists in Ethiopia to change foreign currency to increase spending on cultural goods;

→ The labour market: skills development may help the poor enter formal employment (e.g. language training in Rwanda), but collective action (among Kilimanjaro porters in Tanzania) or diffusing 'best practice' among hotel employers on minimum wages, can have direct and significant impact; and

→ The regulatory and enabling environment: in Cambodia ending lucrative exclusivity agreements, reducing corruption and lawlessness, and investing in human capital would increase the impact of tourism on the poor" (ODI 2009: 4)

For grant actions, it is however both legitimate and recommended to concentrate efforts on a narrow field of action if, in parallel, it is ensured through adequate planning and coordination that efforts will not be fruitless but lead to consequent improved competitiveness and contribute to the desired impact.

Source: ODI; case studies' project documentation

Specific tourism-related interventions within the Asia Invest Programme 2006-2007 improved the ability of business and organizations in the tourism sector to be competitive in commercialization in European Countries. Training activities carried out by the analysed examples of the Commission's TRA in tourism were positively evaluated and appreciated by benefitting stakeholders. Increased service quality and horizontal cooperation funded by specific interventions of the Commission's TRA in tourism contributed towards a durable strengthening of tourism actors. In doing so, they contributed to strengthening tourism stakeholders and businesses, and to increasing the tourism's sectors competitiveness in the field of business environment and tourism infrastructure.

Source: Case studies' project documentation

Limited evidence could be obtained on successful support to intermediary organizations by the Commission's TRA in tourism in the frame of the selected case studies. Intermediary organizations have been named as beneficiaries in the available and analysed specific intervention's project design documents. For two action grants however, external evaluators positively pointed out their efforts in institution building to tourism-related intermediary organizations.

Source: Case studies' project documentation

The Commission's TRA in tourism included support to certification in the tourism sector. No evidence could yet be obtained on aspects such as improved recognisability of tourism offer for specific segments and qualities on international markets. Nevertheless, available project documentation points at successful relevant training and branding development activities.

Source: Case studies' project documentation

No evidence could be found to proof the existence of lasting tools that support the interaction among the stakeholders involved at the tourism sector's different horizontal and vertical levels. Relevant websites or e-groups quoted by either project design or final documentation was witnessed to be updated, not catering the needs of various different stakeholders', or simply not existent online any more. Interaction among relevant stakeholders is crucial for the tourism's sector's and its businesses' competitiveness; the existence of a comprehensive web presence can be one supportive element.

Source: Case studies' project documentation, project websites

5.3 Geographic diversification of exports

I 8.4.2 Geographic diversification of exports of supported sectors



Geographic diversification of nationalities of international visitors

3.1.1.3.5 Understanding and coverage of the indicator

Increased diversification of export destinations, when interpreting it within the tourism context, refers to a growth of diversity of international visitors' nationalities⁵⁹. Similar to the first indicator, statistical data is also the basis for this second indicator on geographic diversification of exports in the tourism sector, when comparing international tourism arrival numbers for 2004 and for 2010 for the selected case studies' countries. Attention is paid to so-called outbound tourism data, namely those figures informing on the travellers' countries or regions of origin. For analysing geographic diversification, the relevant data is a source market's performance in terms of increasing or decreasing its share in international tourism arrivals (ITA) to a country/region of interest.

This indicator covers the evaluation criteria effectiveness and impact.

3.1.1.3.6 Summary of findings

There is little evidence that the Commission's TRA contributed to the observed geographic diversification of exports in the tourism sector. Geographic diversification of exports could be identified to be a major or minor concern of only one of the specific interventions subject to deeper analysis in the frame of this study. Hardly any related efforts have been observed in the project preparatory or final documentation either.

Geographic diversification of exports in the tourism sector as example for trade in services was partly achieved in the analysed case studies' country and region.

Only one (Asia and the Pacific) of three of the regions with relatively low shares of international tourism arrivals to Tanzania in 2004 increased its share in 2010. It did so even over-proportionately than this region's worldwide relative increase.

Geographic diversification of visitors' nationalities travelling to Asia (data for the ASEAN region analysed) increased in so far as the source region holding the biggest share of international tourism arrivals to the ASEAN region in 2004, slightly decreased its respective share in 2010.

This partly geographic diversification could, however, not be linked back neither to an increased competitiveness of the tourism industry, nor be attributed to the analysed interventions funded by the Commission's TRA in tourism.

Source: Ministry of Natural Resources and Tourism in Tanzania; ASEAN Secretariat, UNWTO, case studies' project documentation

For the ASEAN region, geographic diversification of exports proved to be more important within the own region than with other regions.

The share of international tourism arrivals from the ASEAN region to foreign countries within the ASEAN region increased over the evaluation period, while the share of travellers from the rest of the world decreased. This differs from the world-wide trend of increasing share of international tourists travelling to destinations in other regions than their own.

While limited geographic diversification of exports worldwide took place, an increased competitiveness for regional travel and tourism within the ASEAN region can be concluded.

Nevertheless, evidence does not allow for a specific attribution to the Commission's TRA in tourism.

Source: ASEAN Secretariat, UNWTO; case studies' project documentation

⁵⁹ The underlying assumption is that no significant difference prevails among the tourism spending per day among the different visitor nationalities. No separate data has been found on the amount of daily tourism spending per nationality in the specific countries covered by the two case studies.

5.4 Growth of exports

I 8.4.1 Evidence of growth of exports of supported sectors



Evidence of growth of tourism's contribution to GDPs, exports and employment generation

3.1.1.3.7 Understanding and coverage of the indicator

Indicator 8.4.1 aims to measure growth of exports in selected sectors supported by the Commission's TRA. "Growth of exports", translated into the tourism-specific context, refers to growth of tourism-specific exports. As explained above (cf. chapter 2.2), tourism services provided to international visitors are included into a balance of trade's export side. The UNWTO and WTTC have elaborated a method to measure the performance of tourism exports (cf. chapter 2.3); their most relevant key indicators for measuring growth of tourism exports are i) tourism's contribution to GDPs, ii) tourism's contribution to exports and iii) tourism's contribution to employment.

This indicator can thus be understood as measuring the "sum" of effects created by tourism development of any kind – including the development of tourism side industries – but also of the effects of development of other economic sectors that influence the tourism industry or on which tourism development depends.

I 8.4.1 was therefore put to assess the Commission's TRA in tourism at intermediate impact level. In consequence, also this last indicator covers the evaluation criteria effectiveness and impact.

3.1.1.3.8 Summary of findings

Over the evaluation period, the selected case studies of the Commission's TRA in tourism show positive growth rates. Attribution to the Commission's TRA in tourism appears however to be difficult due to various reasons: the complexity of the tourism sector and the impossibility to measure all possible parallel influence of support to other sectors relevant for a competitive tourism development; the high dependency of the tourism sector of external effects, and last but not least the either deficit performance of the first case study's intervention or the second case study's focus on relevant support at micro level.

Evidence of growth of exports in the tourism sector has been detected for the selected case studies of the Commission's TRA in tourism.

The analysed statistical data for the selected case studies supports the impression of a positive development of economic key performance indicators in tourism development such as tourism's contribution to GDP, to exports and to employment generation. A consequently also increased competitiveness of the tourism industries is the underlying assumption that has not been able to be confirmed. No specific Commission's interventions of TRA in tourism can claim responsible for increased trade in the countries covered by the analysed case studies since it is difficult to determine the degree of impact and causality with the Commission's TRA in Tourism for aggregated analysis.

Only in-depth research also including an analysis of the overall picture and the development of non-tourism sectors linked with and influencing tourism development, in combination with qualitative investigation on the degree of sustainability of the development would lead to an (only approximate) judgement and eventual partly attribution.

Source: WTTC reports on economic impact of travel and tourism; case studies' project documentation

No evidence was found that the analysed specific interventions of the Commission's TRA in tourism were based on a sound ex-ante assessment of expected impacts. No evidence of sound monitoring of impacts could be collected either. Specific methodologies have been developed by tourism researchers to narrow down the possibly achievable extent of impacts of tourism development as well as to determine the most suitable nodes within a value chain to successfully contribute to poverty reduction. No reference to any similar assessment prior to the implementation of the case studies' specific interventions funded by the Commission could be witnessed in the relevant and available project documentation.

In conclusion, the opportunities to realistically judge on proposed interventions' contribution to poverty reduction had not been taken advantage of. It is therefore also hard to measure and attribute back to the Commission's TRA in tourism.

Source: IDB, ODI; case studies' project documentation

6 Conclusions and recommendations

This chapter brings together the conclusions and recommendations based on the above described findings and detected change between the case studies' specific situation in 2004 and in 2010. They support the indicators elaborated for the "Thematic Global Evaluation of European Commission's Support to Trade-related Assistance in Third Countries" in the following way:

Table 88: Indicators, conclusions and recommendations (Overview)

Resulting from findings on	Conclusion	Recommendation
General observations	C1), C3), C4), C6), C7), C8), C9), C10)	R2), R3)
I 8.4.1 "growth of exports"	C22), C23)	R16), R17)
I 8.4.2 "geographic diversification"	C21)	R13), R14), R15)
I 8.4.3 "enabling environment"	C2), C5), C11), C12), C13), C14), C15)	R1), R4), R5), R6), R7), R8)
I 8.4.4 "clusters, value chains"	C15), C17), C18), C19), C20)	R9), R10), R11), R12)

Again, it has to be pointed out that this study could not aim for assessing all possible effects of all specific interventions funded within the Commission's TRA in tourism. Therefore, the below presented conclusions and recommendations are to be understood as exemplary only. Having said this, we can continue with revealing in the following two chapters what can be concluded and recommended.

Expressed in a single statement, the overall conclusion drawn on the above carried out study is:

The Commission's TRA in tourism supported some highly relevant interventions contributing to increased competitiveness of tourism enterprises oriented towards international visitors in specific, and of the tourism sector in general. Evidence of good results or effective activities have been found at micro (enterprise) level, however, no positive statement can be made with regard to a possible broader competitiveness increase at sector level and on aggregated impact level.

6.1 Conclusions

C1) "Tourism" cannot be understood as an isolated sector but is highly interlinked with and influenced by most of the remaining development sectors.

Basis for recommendation R1)

C2) The Commission does not dispose of a specific policy or strategy guiding its development cooperation in the field of tourism development, or its TRA in tourism in beneficiary countries. However, the topics raised in the only strategic reference document found ("Communication from the Commission to the Council and the European Parliament. A European Community strategy to support the development of sustainable tourism in the developing countries"), dating back to October 1998, remain relevant until today.

Basis for recommendation R1)

C3) Already in 1998, the Commission's understanding of tourism development was a comprehensive one comprising institutional, economic, ecological as well as socio-cultural sustainability. However, the analysed case studies seldom made reference to having understood the complex dimension into which their respective intervention was embedded.

Basis for recommendation R1), R2) and R3)

C4) There is limited documentation, literature and research available on the Commission's support to development cooperation in tourism. "Tourism" has neither been subject to a sectorial evaluation of the Commission's development cooperation, nor to specific evaluation question covered by or country level evaluations of the Commission's intervention sectors in the period 2002-2011 (EC DG DEVCO-EuropeAid 2011). Due to lack of data, neither specific information nor knowledge is accessible online in this regard.

Basis for recommendation R1) and R4)

C5) Without clear embedding of the Commission's specific interventions into the tourism sector's complexity, the national or regional tourism sector context, and the Commission's strategy for development cooperation, a great part of the analysed specific interventions leaves the impression of being sporadically or ad hoc funding.

Basis for recommendation R4)

C6) The analysed specific interventions in the frame of the Commission's TRA in tourism between 2004 and 2010 are in line with the "possible areas for action" outlined in the Commission's "Communication from the Commission to the Council and the European Parliament. A European Community strategy to support the development of sustainable tourism in the developing countries", although they do not explicitly refer to this communication or to the Commission's understanding of tourism.

Basis for recommendation R3)

C7) Tourism has not played major important role in the Commission's recent development cooperation activities although the Commission's existing financial instruments allow for funding tourism related projects.

Basis for recommendation R1), R2), R3) and R4)

C8) The Commission's TRA in tourism is dispersed over all areas influencing tourism competitiveness. It is to be assumed that the Commission's non-tourism-specific TRA, but also the Commission's development cooperation in other sectors that are not directly referring to tourism (such as health, security, transport/ICT/... infrastructure, private sector development, or education for example) positively impact the competitiveness of a beneficiary country's tourism industry.

Basis for recommendation R3)

C9) Interventions of the Commission's TRA in tourism often very generally refer to "(sustainable) tourism development", while it has already been pointed out in the Commission's communication in 1998, that "concentrating efforts produces the best results", while aiming too ambitiously at overall "tourism development" has proven to be rather ineffective.

Basis for recommendation R3)

C10) During this study's evaluation period, contracts within decisions focussing exclusively on tourism received relatively less funding than tourism-specific contracts funded within the scope of non-tourism-specific decisions. This has been observed both for specific interventions of relative small contracted amount (less than 200,000 Euros) and for specific interventions of relative high contracted amounts (more than 1,000,000 Euros).

Basis for recommendation R3)

C11) Institutional strengthening is a very relevant field of action of the Commission's TRA in tourism. It was explicitly aimed for in one of the two case studies that, however, not achieved its envisaged related project results. Interestingly, the other case study, intended to focus on a different field of action and competitiveness (business environment) provided good examples for successful direct as well as indirect institutional strengthening within the Commission's TRA in tourism.

Basis for recommendation R5)

C12) Support to TRA in tourism focussing on changing institutional settings can only be successful if taking into account a country's institutional framework outside the tourism sector as well as cultural, historic and political factors.

Basis for recommendation R5)

C13) Most specific interventions of the Commission's TRA in tourism were set into a favourable sector priority environment where national Governments clearly stated their prioritization of travel and tourism. This is not a sufficient but necessary precondition for successful and effective tourism development.

Basis for recommendation R6)

C14) The analysis of the case studies' regulatory framework in tourism revealed deficits in related competitiveness since in most cases insufficient attention has been paid to aspects of policy rules and regulations, environmental sustainability, health and hygiene, and safety and security, which are strongly influencing a visitor's decision to visit or not visit a specific destination. While it is clearly not expected or recommended that the Commission's TRA in tourism directly addressed too many competitiveness pillars at the same time, any specific intervention needs at least to bear in mind the institutional and regulatory context it sets foot in.

Basis for recommendation R7)

C15) The analysed Commission's TRA in tourism was designed to contribute to various relevant aspects influencing sustainability at macro and institutional level. The only partially success can be traced back to lack of project ownership among national counterparts, the missed the opportunity to train trainers, and too ambitious or delayed time planning.

Basis for recommendation R8)

C16) Only few specific interventions within the analysed case studies on the Commission's TRA in tourism focus on strengthening horizontal or vertical clusters or entire value chains although literature suggests that strengthening value chains in the tourism sector could have significant impact on poverty reduction.

Basis for recommendation R9)

C17) Evidence points towards the Commission's TRA in tourism focussing already at the design stage on the "export end" of the tourism value chain only, leaving aside the importance of strengthening the entire value chain. Specific tourism-related interventions within the Asia Invest Programme 2006-2007 were designed to support commercialization with the European market. However, tourism development without having ensured adequate commercialization cannot be effective and cannot bring the desired impacts.

Basis for recommendation R10)

C18) Specific interventions funded within the Commission's TRA in tourism and focussing on strengthened value chains and clusters in their support to tourism-related intermediary organizations have been partially successful. Lack of data hinders revealing the exact reason this weak performance

could be attributed to. Subsequent recommendations could only be drawn upon in-depth research, conducting of interviews and field research.

Basis for recommendation n/a

C19) Training activities and related certification processes contributing to the existence of strengthened clusters or value chains in the tourism sector were perceived successfully carried out with positive effects on a durable strengthening of tourism actors and international recognition of the destination's tourism offer to be expected but still subject to confirmation.

Basis for recommendation R11)

C20) No evidence could be found to proof the existence of lasting tools that support the interaction among the stakeholders involved at the tourism sector's different horizontal and vertical levels. Interaction among relevant stakeholders is crucial for the tourism's sector's and its businesses' competitiveness.

Basis for recommendation R12)

C21) Some indication of geographic diversification of exports in the tourism sector has been found, mainly when considering the relatively more significant growth of source markets of comparatively less importance at the beginning of the study's evaluation period. However, no evidence has been found for the selected case studies that the Commission's TRA in tourism paid specific attention to supporting interventions aiming for export diversification and/or targeting visitors of those nationalities that are either currently increasing their market share in international tourism arrivals, or are expected to do so in the future.

Basis for recommendation R13), R14) and R15)

C22) The examples analysed of the Commission's TRA in tourism have not been based on a sound ex-ante assessment of expected impacts. Their implementation did not include monitoring of impacts either.

Basis for recommendation R16)

C23) Evidence of growth of tourism's contribution to GDPs, exports and employment generation has been detected for the selected case studies of the Commission's TRA in tourism: All tourism-specific economic key indicators have not only increased from 2004 to 2010, but they are also expected to increase in 2012 and in the long-term until 2022. In addition, in both, the analysed country and the region, all growth rates have developed with relatively higher intensity than the overall worldwide growth. Only when putting their growth rates in relation with the geographical areas they belong to, they perform slightly not as strong as their reference areas do. However, no attribution of the Commission's TRA in tourism could be confirmed.

Basis for recommendation R16) and R17)

6.2 Recommendations

Based on the above analysis, findings and conclusions, the following recommendations for future TRA in tourism by the Commission have been drawn:

R1) It is recommended that future Commission's TRA in tourism was guided by an updated strategy in support of the development of sustainable tourism in the developing countries, upon verification whether the background and "possible areas for action" of the Commission's communication in 1998 are still valid and justified in the 21st century. (This does not translate into the need for a *tourism-*

exclusive development policy, since this will hardly be feasible given the complexity and special nature of the tourism sector.)

R2) It is recommended that future Commission's TRA in tourism was continuously based on their comprehensive understanding of sustainability as multifaceted phenomenon. It is therefore strongly recommended that future Commission's TRA in tourism bore in mind the "3Cs", namely coordination, complementarity and coherence. This includes that any future Commission's TRA in tourism needs to be closely interlinked with the development of other key sectors influencing the competitiveness of a tourism destination and the tourism industry. Only developing different relevant sectors hand-in-hand with each other can increase the tourism industry's competitiveness, may it be by specific interventions funded by the Commission's development cooperation or in coordination with those funded by other donors.

R3) It is recommended that future Commission's TRA in tourism supported specific interventions that focus their efforts and are closely narrowly to one single field within tourism development.

R4) It is recommended that the Commission invested in improving its understanding of the complexity of the tourism sector, its coordination mechanisms as well as of its possibly achievable and already achieved impacts. Only based on a comprehensive understanding of competitiveness in the tourism sector's regulatory framework, the Commission can take full advantage of tourism development's potential to successfully support poverty reduction.

R5) It is recommended that the extent of harmonization of a tourism sector's irregular institutional framework by future Commission's TRA in tourism needed to be carefully aligned with a country's historical and political processes.

R6) It is recommended that future Commission's TRA in tourism was concentrated on such beneficiary countries/regions disposing of sufficient institutional backing that puts priority at a comprehensive and balanced tourism development.

R7) It is recommended that future Commission's TRA in tourism proved its comprehensive understanding of each specific institutional context a specific intervention would be embedded into already when designing the same.

R8) It is recommended that future Commission's TRA in tourism was based on a careful and long-term time planning both from the Contractor's side in paying attention to as many as possible factors influencing timing within all ends of the tourism service chain, as well as from the Commission's side in its strategic planning and consequent actions.

R9) It is recommended that the Commission further assessed the possibilities to strengthening value chains in the tourism sector with a specific few of impact on poverty reduction.

R10) It is recommended that future Commission's TRA in tourism bore in mind the entire tourism value chain when designing specific interventions. This does not necessarily mean that a specific intervention itself has to contribute to the development of all phases of the value chain. However, if not, adequate appraisal and coordination with other projects, donors and public, private and civil society stakeholders will be required to avoid funding isolated efforts that are not embedded into the different areas relevant for competitiveness of the tourism sector.

R11) It is recommended that future Commission's TRA included capacity building and training of trainers for ensuring a durable strengthening of tourism actors, maximization of intervention effects and project sustainability over time.

R12) It is recommended that future Commission's TRA in tourism paid attention to specifically including elements of relative relevant duration fostering the communication and exchange of information. Traditional participatory elements such as workshops or focus group discussions, but also the existence of a comprehensive and well designed web presence can be one supportive element to facilitate interaction among relevant stakeholders regardless their geographic location.

R13) It is recommended that future Commission's TRA in tourism supported interventions (or interventions with related activities) aiming at attracting a disproportionately high number of additional visitors coming from source regions that either currently hold a still limited but growing market share, both at national as well as worldwide level, or are expected to do so in the future. In doing so, future Commission's TRA in tourism could contribute to increasing those source regions' relative shares of international tourism arrivals to a targeted geographic area which in turn provides a basis for a possible geographic diversification of exports in the tourism sector.

R14) It is recommended that geographic diversification of exports in the tourism sector was already included into the intervention's design of future Commission's TRA in tourism, in order to specifically target potentials for ITA to a selected country and/or region, but also in order to decrease a destination's dependency on external effects affecting their currently most important source markets.

R15) It is recommended that future Commission's TRA in tourism carefully considered the potential of strengthening regional tourism and bore in mind the possibly additional impact through synergies with domestic tourism.

R16) It is recommended that an assessment of impacts was included into the interventions' designs, e.g. by applying methods such as

- the Inter-American Development Bank's "simulation models" (IDB 2010) to *ex-ante* assess the possible extent of expected impacts; or
- the "value chain analysis" for pro-poor analysis developed by the Overseas Development Institute (ODI 2007a and ODI 2009) to assess the extent of impact on pro poor income of the *existing* tourism sector as a basis for drafting specific interventions.

In doing so, the possibly achievable extension could not only be narrowed down and described more accurately, but also the possibilities to successfully support poverty reduction would be increased.

R17) It is recommended that the Commission's TRA in tourism did not expect its specific interventions to have world changing impacts. Tourism development can indeed contribute to a sustainable development, however only if well designed and carried out. Communicating such aims directly, or indirectly via implementing partners, can create high expectations without the scope of what the Commission's TRA in tourism can ever achieve by its own.

Annex 12



EUROPEAN COMMISSION
Directorate-General for Development and Cooperation

Evaluation

**THEMATIC GLOBAL EVALUATION OF EUROPEAN
COMMISSION'S SUPPORT TO TRADE-RELATED ASSISTANCE
IN THIRD COUNTRIES (NON ACP)**

TERMS OF REFERENCE

Final

February 2011

The Evaluation Unit, situated in DG DEVCO, launches a **Thematic Global Evaluation of European Commission's support to Trade-Related Assistance in Third Countries (non ACP¹)**. A first part of this study has already been contracted, covering ACP countries (contract number 2010/254070); the aim of the present contract² is to complement this work by covering the non-ACP countries. Both contracts fully contribute to the same overall study and purpose and must be carried out in **full synergy and harmony** in terms of conceptual and managerial requirements. The **deliverables** of these two contracts must be **common** and will therefore be **merged, synthesised and synchronised to produce a single evaluation covering ACP and non ACP Countries**.

The main objectives of the present contract are:

To provide an assessment of EC Trade-related assistance in non-ACP countries which can be fully integrated with the already launched Thematic Global Evaluation of European Commission's support to Trade-Related Assistance in Third Countries (focusing on the ACP countries only), contract number 2010/254070 in order to provide the relevant external co-operation services of the EC and the wider public with an overall independent assessment of the Commission's past and current support to Trade-Related Assistance in Third Countries.

Geographical scope: the non-ACP Countries will fall into the scope launched under these Terms of Reference. In this context the non-ACP countries are countries in Latin America, Asia and countries covered by the European Neighbourhood Partnership Instrument (ENPI). The countries under the mandate of DG Enlargement do not fall within the scope of this evaluation.

Field phase: **country case studies** will be carried out in **6 different representative non ACP countries³** (considering geographical criteria as well as various types of co-operation). The evaluators shall identify and formulate in-depth questions and test hypotheses for country case studies, allowing addressing the issues of relevance, effectiveness, efficiency, effects and sustainability of aid delivery to the EC trade related assistance as well as complementarity and EC added value. The case studies shall be selected⁴ in consultation with the Reference group, taking into account different experiences in the area of support to TRA as well as different country/regional contexts.

In addition to the languages outlined in the ToR for the contract number 2010/254070 the executive summary (5 pages) will be translated also into Spanish.

¹ Africa, Caribbean, Pacific Countries signatories of the Lomé convention. All the countries under the mandate of DG DEVCO fall within the scope of this evaluation.

² Given the geographical scope a separate contract and a different financing source is necessary.

³ To be finalised after discussion.

⁴ Possible criteria for country selection: (1) evidence of EC support to trade-related assistance; (2) importance of Commission support in the country; (3) Covering all major regions; (4) Broader learning potentials; (5) Level of poverty; (6) The political and economic context; (7) Existence of budget support cooperation (not applicable to all regions); (8) Previous country involvement in thematic, sectoral and country/regional evaluations; (9) Regional programmes; (10) Linking relief, rehabilitation and development; (11) combination of different instruments, etc.

The workplan will be presented in the technical offer (Launch Note) by the consultant. The budget must not exceed € 200.000.

Within 14 days after the reception of the ToR, the Consultants will present a launch note which should contain:

- their understanding of the ToR;
- a methodological note including the implementation of the quality control;
- a proposed budget³.

1. COST OF THE EVALUATION AND PAYMENT MODALITIES

The overall costs include:

- 6 field visits to selected non ACP Countries plus the integration of those findings into the evaluation report
- 2.5% of the total budget for quality control;
- A seminar.

The total must not exceed € 200.000

According to the service contract, payments modalities shall be as follow:

- 30 % on the acceptance of the country case studies plus 2.5 % of the agreed budget to be used for quality control;
- 50 % on acceptance of the Draft Final Report;
- 20 % on acceptance of the final report;

Seminar related costs are to be invoiced and paid separately.

The invoices shall be sent to the Commission only after the Joint Evaluation Unit confirms in writing the acceptance of the reports.

³ In the frame of a "framework contract"



EUROPEAN COMMISSION
Directorate-General for Development and Co-operation - EuropeAid
Evaluation

**THEMATIC GLOBAL EVALUATION OF EUROPEAN
COMMISSION'S SUPPORT TO TRADE-RELATED ASSISTANCE
IN THIRD COUNTRIES**

TERMS OF REFERENCE

Final

October 2010, as revised on 14 February 2011

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1. MANDATE AND OBJECTIVE

Systematic and timely evaluation of its expenditure programmes is a priority of the European Commission (EC). It is key to account for the management of the allocated funds and for promoting a lesson-learning culture throughout the organisation. The focus is on the impact (effects) of these programmes against a background of greater concentration of external co-operation and increasing emphasis on result-oriented approaches, particularly in the context of the programmes of the RELEX Family of Directorates-General⁶.

The Thematic Global Evaluation of European Commission's support to Trade-Related Assistance in Third Countries is launched by the Joint Evaluation Unit, common to the Directorates-General for Development, External Relations and EuropeAid. It is a part of the Evaluation Programme for 2010 approved by the Commissioner for Development in agreement with the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission and the Commissioner for Enlargement and European Neighbourhood Policy.

The main objectives of the evaluation are:

- To provide the relevant external co-operation services of the EC and the wider public with an overall independent assessment of the Commission's past and current support to Trade-Related Assistance in Third Countries.
- To identify key lessons in order to improve the current and future strategies and programmes of the Commission.

2. BACKGROUND

2.1. The policy background to the Commission's interventions

The EU is a key trading partner of developing countries, and in view of its responsibility for EU trade policy and negotiations, very well placed to understand and act on specific capacity concerns of developing countries in this area.

In recent years, trade has taken on an increasing role in EU co-operation with developing countries. Numerous policy statements by the EU (and its Member States) as well as by other global actors have stressed the important development opportunities that lie in increased participation in trade, as well as the need to assist developing countries use trade better to reach their development objectives.

The 2001 Doha Ministerial Declaration launched the new round of multilateral trade negotiations and made technical assistance and capacity building a key component of the development dimension of the Round. In September 2002, the Commission adopted a Communication on Trade and Development⁷. This included as a central element the planning and delivery of effective trade-related technical assistance. The approach set out was centred on support for economic reform, increased market access and effective trade-related technical assistance. Quality as well as volume of Trade Related Assistance (TRA) should be increased and institution and capacity building

⁶ Directorates General of External Relations (RELEX), Development (DEV) and the EuropeAid Co-operation Office (AIDCO).

⁷ COM (2002) "Trade and Development: assisting developing countries to benefit from trade"

should be accelerated at both national and regional level. Furthermore, supporting activities such as telecommunications, transport infrastructure and energy should be designed with trade-related objectives in mind.

At the 2005 WTO Ministerial Conference in Hong Kong several donors made concrete commitments to increase their trade-related support to developing countries. The EU and the Member States made an overall commitment to increase their collective annual spending on TRA to €2 billion every year by 2010. €1 billion of this was to come from the EU and another €1 billion from EU Member States.

WTO Members also agreed to set up a Task Force to 'operationalise Aid for Trade' (AfT). In 2006 the Task Force issued its recommendations. This included widening of the scope of AfT to cover not only the "classical" aid for trade agenda - trade policy and regulation and trade development - but also trade related infrastructure, building productive capacity, and trade related adjustment.

Partly in response to these recommendations, the Commission adopted a Communication⁸. On this basis, the Council adopted a joint European Union (EU) Aid for Trade strategy in favor of developing countries on 15 October 2007.

The joint EU AfT Strategy aims to support all developing countries, in particular the Least Developed Countries (LDC's), to help them better integrate within the rules-based world trading system and to use trade more effectively in promoting the overall objective of eradicating poverty. It focuses on increasing the volume of AfT – both TRA and wider AfT - and on enhancing its results and effectiveness, particularly in terms of poverty impact, joint activities and regional integration. The Strategy covers the full AfT agenda, as identified by a 2006 WTO Aid for Trade Task Force: 'Classical' trade related assistance (including trade policy and regulation and trade development), together with productive capacity building, trade-related infrastructure, trade-related adjustment and 'other trade-related needs'.⁹ It has a strong focus on making progress on in-country processes that are recognised to lead to increased volumes of AfT and better results.

The Commission has also issued a range of other complementary Communications with an important trade-related focus, such as the 2004 one on how to improve support to agricultural export commodities in dependent countries¹⁰; the one on private Sector Development in 2003¹¹; and in 2008, a Communication on Regional Integration in ACP Countries¹².

EU Support to Regional Integration has been importantly stepped up in past years, including in relation to the negotiations on Economic Partnership Agreements with the ACP countries. The 10th EDF substantially increases resources available to support this objective.

2.2. The concepts and reporting of Trade Related Assistance and Aid for Trade

The initial focus of Aid for Trade – or Trade Related Assistance as it was then called - was on the capacity of developing countries to formulate trade policy, participate in trade negotiations, assess trade policy options and their impacts, implement new regulations, formulate export strategies and meet quality and other requirements of international markets – issues often encountered by

⁸ *Towards an EU Aid for Trade strategy – the Commission's contribution* (COM (2007) 163)

⁹ Aid for Trade Monitoring Report

¹⁰ Communication from the Commission to the Council and the European Parliament on "Agricultural Commodity Chains, Dependence and Poverty - A proposal for an EU Action Plan (Brussels, 12.02.2004, COM(2004)89 final)

¹¹ Communication from the Commission to the Council and the European Parliament on "European Community Co-operation with Third Countries: The Commission's approach to future support for the development of the Business sector" – COM (2003) 267 of 19.5.2003.

¹² Com (2008) 604

developing countries in the context of WTO negotiations. Some donors made commitments to support such capacity building. The EU and its Member States, for example, undertook to increase its Trade Related Assistance to €2 billion annually by 2010 — half of which would come from the EU and half from the Member States.

The recommendations of the WTO AfT Task Force broadened the scope of Aid for Trade. In its 2006 recommendations, this Task Force stated that ‘Projects and programmes should be considered as Aid for Trade if these activities have been identified as trade-related development priorities in the recipient country’s national development strategies’. It specified six groups of activities that it considered to constitute Aid for Trade. **Categories 1, 2 and 6 correspond to ‘classical’ ‘trade-related assistance’ (TRA). TRA and the remaining categories are usually referred to together as ‘the wider Aid for Trade agenda’.**

Between 2001 and 2006 the WTO/OECD operated a special database on Trade Related Assistance, based on self-reporting from donors. Following the expansion of the concept to Aid for Trade, it was decided to move to use the already existing donor database managed by the OECD, the Creditor Reporting System to which overall ODA is reported. To facilitate coherent reporting, the OECD then worked to streamline the reporting on the AfT categories identified by the Task Force. In particular, it linked each AfT category to one or several specific codes in the general Creditor Reporting System (*Box 1 provides further detail on AfT reporting*).

Box 1: Aid for Trade categories

Trade Related Assistance (TRA):

Category 1, Trade policy and regulations: trade policy and planning, trade facilitation, regional trade agreements, multilateral trade negotiations, multi sector wholesale/ retail trade and trade promotion. Includes training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interest and identify trade-offs, dispute issues, and institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards. CRS Purpose codes: 33110, 33120, 33130, 33140, 33181

Category 2, Trade development: investment promotion, analysis and institutional support for trade in services, business support services and institutions, public-private sector networking, e-commerce, trade finance, trade promotion, market analysis and development. This is largely a subset of building productive capacity, covering specifically its most trade related part. CRS Purpose codes which are marked using the "Trade Development Marker": 24010 to 24081, 25010, 31110 to 31195, 31210 to 31291, 31310 to 31391, 32110 to 32182, 32210 to 32268, 33210

Category 6, Other trade-related needs: it refers to programmes that include trade-related components not comprised in the other five categories, such as vocational training or public sector policy programmes. From the EU side, this category has mainly been used to report AfT programmes for which the main CRS codes are not Categories 1-5, but which still clearly include trade related objectives.

Wider Aid for Trade agenda: TRA together with the below (outside the scope of this evaluation):

Category 3, Trade-related infrastructure: physical infrastructure including transport and storage, communications and energy generation and supply. CRS Purpose codes: 21010 to 21081; 22010 to 22040; 23010 to

Category 4, Building productive capacity: Includes business development and activities aimed at improving the business climate, privatisation, assistance to banking and financial services, agriculture, forestry, fishing, industry, mineral resources and mining, tourism. Includes trade and non-trade related capacity building. CRS Purpose codes: 24010 to 24081, 25010, 31110 to 31195, 31210 to 31291, 31310 to 31391, 32110 to 32182, 32210 to 32268, 33210

Category 5, Trade-related adjustment: This code was created by OECD/DAC at the end of 2007. It covers contributions to the government budget to assist with the implementation of recipients own trade reforms and adjustments to trade policy measures by other countries; and assistance to manage shortfalls in the balance of payments due to changes in the world trading environment. CRS Purpose Code 33150

The evaluation shall focus only on the Trade Related Aspects of the general Aid for Trade (categories 1, 2 and 6), thus, the wider aid for trade agenda (categories 3, 4 and 5) does not fall within the scope of this evaluation. However, with specific reference to category 5 (Trade Related Adjustment), the evaluation has to consider the Trade Related Adjustment activities relevant to the Trade Related Assistance.

2.3. Present volumes of EU Trade Related Assistance and total Aid for Trade

Every year since the adoption of the EU AfT Strategy, the Commission prepares a comprehensive monitoring report on the Aid for Trade of the EU and its Member States, in order to assess progress in implementing the commitments taken. This is done in close coordination with the AfT reporting that is carried out by the WTO/OECD in the context of the monitoring of global AfT. The last years reports are available on http://ec.europa.eu/development/services/dev-policy-proposals_en.cfm.

Africa represents the most important region in terms of the volume of EU resources devoted to TRA. The largest group of TRA projects took place in the field of trade development, followed by trade policy and regulation activities (but with a significant minority of projects involving a mix of these different activities, often in the area of agriculture). However it is difficult to give precise breakdowns as often programmes are broader and include more than one subsector.

The interventions typically include technical assistance and capacity building in areas such as thematic issues such as Trade Policy and Regulation and Trade Adjustment, Trade Facilitation, Intellectual property rights, Sanitary and Phyto-sanitary Standards, Technical Barriers to Trade, and Trade development (including activities in the field of productive capacities with an emphasis on trade).

Very substantial increases have been reported in wider Aid for Trade - including transport and energy, productive sectors and trade-related adjustment.

2.4. Some other features of EU and its Member States on TRA and AfT

Some key findings of the latest EU AfT monitoring report as regards delivery are as follows, and would merit attention in the evaluation:

- About 23% of total EU and Member States AfT is committed to Least Developing Countries (LDCs), with absolute levels in 2008 being only marginally above those of 2005. There is a need to further strengthen these efforts in LDCs, closely linked to absorption capacity. In order not to overstretch LDC capacity, it remains essential to work effectively together, including under schemes such as the Enhanced Integrated Framework, the success of which is dependent on collaboration and integration into country structures.
- Only about 25% of partner countries are considered to considerably own and champion the process of AfT policy formulation and implementation, and to have effective coordination processes in place to develop and implement a trade strategy.
- In 40 % of the countries to which the EU and its Member States are providing trade related support, an up-to-date trade needs assessment seems to be lacking.
- In some countries there appears to be a strikingly large number of AfT related activities ongoing simultaneously. Field offices report that there is room for at least a doubling of the number of countries in which joint EU Aid for Trade activities take place.
- For ACP, specifically, the shared responses from EU and EU Member States indicated that dialogue on trade and AfT issues was happening regularly in about 65% of cases.

- The regional dimension of Aft was reported as important, in ACP as well as Asia and Latin America.

2.5. The European Commission's support to Trade-Related Assistance

In line with the increased policy attention to trade and trade related development support, the Commission has taken various steps to increase its own capacity to deliver effective Trade Related Assistance (and other Aid for Trade). Guidance notes, staff training at headquarter and in developing country regions, as well as strengthened inter-service collaboration have been part of these efforts. For example, a Commission task force was established in 2002 with the task of facilitating TRA implementation, linking areas of interest including the follow-up to Doha, the contents of CSPs and the identification of programmes and projects. As TRA became more mainstreamed into Commission activities, cross-DG collaboration became part of day-to-day work. An Inter-Service Group is active and meets on average two to three times per year, under the Secretariat of Aideco E2.

Guidelines on Trade Related Assistance and on Private Sector Development have been issued in 2003 and 2005 and are currently being updated.

Regular exchanges with EU MS have been strongly developed over the past years in particular in relation to the development and monitoring of the EU Aft Strategy, and in relation to efforts to support ACP regional integration. The so called EU Trade and Development Experts Group meets about three times a year.

The Commission is heavily engaged in monitoring the implementation of the EU Aft Strategy, through analysis of OECD data, questionnaires to MS headquarters as well as to EU and MS Delegations and field offices. Through this work, important amounts of data and information is already available, to be taken further through the present evaluation. The Commission has also carried out two evaluations in relation to Trade Related Assistance: one in 2004 on TRA¹³ and one in 2006 on Co-ordination of Trade Capacity Building in Partner Countries¹⁴.

At international level, the efforts to set up and improve the "Integrated Framework (IF) for Trade Related Assistance to LDCs", as a tool for enhanced in-country coordination and capacity building in relation to TRA and Aft [and a Joint Integrated Technical Assistance Programme (JITAP)], reflect the shared ambition to improve country ownership and capacity and donor co-operation in this field. The WTO has been given the mandate, to monitor progress in Aft. This is done in particular through regular "global aid for trade reviews" led in particular by an extensive reporting exercise supported by the OECD. This takes a four-pillared approach: analysis of Aft flows, based on analysis of the OECD/DAC CRS database; self reporting by donors to a questionnaire; self reporting by developing countries to a questionnaire; a set of indicators; and, now being developed, a set of case studies to demonstrate lessons learnt.

Whilst the initial focus of international attention was on the volumes (and related reporting) of Aid for Trade, attention is now shifting towards evaluation of impacts of Aid for Trade on trade capacity, trade flows, and poverty.

¹³ Evaluation of Trade Related Assistance by the European Commission in Third Countries - ref 951654-
http://ec.europa.eu/eurostat/how/evaluation/evaluation_reports/2004/951654_docs_en.htm

¹⁴ Joint Evaluation of Co-ordination of Trade Capacity Building in Partner Countries - ref 727-
http://ec.europa.eu/eurostat/how/evaluation/evaluation_reports/2006/727_docs_en.htm

3. PURPOSE AND SCOPE OF THE EVALUATION

The **purpose** of the evaluation is to assess to what extent the Commission development assistance has been **relevant, efficient, effective and sustainable** in providing the expected **impacts** in supporting the trade integration efforts in the third countries. It should assess whether the relevant development cooperation policies laid down by the Commission have been implemented, and had the desired effect. It should pay detailed attention to the coordination and complementarity with other donors and actors. It should assess the coherence with the relevant EC policies and the partner Governments' priorities and activities as well as with international legal commitments in the field of trade-related assistance.

The evaluation should serve policy decision-making and project management purposes. The main users of the evaluation will be Directorate-General for Development and Co-operation - EuropeAid Office and the EU Delegations/EEAS. EC services like ECHO, DG TRADE and DG AGRI may benefit from the results of this evaluation too. The evaluation should also generate results of interest to a broader audience, including governments of partner countries, Member States, civil society and others.

The evaluation takes place in the context of the EU Aid for Trade Strategy, but it will cover only the EC activities in the field of Trade-Related Assistance in third countries described in these ToRs (AII categories 1, 2, and 6), thus, the wider aid for trade agenda (categories 3, 4 and 5) does not fall within the scope of this evaluation. However, **the evaluation will take into account and reflect on the linkages, coherence and synergies between trade-related assistance and other activities that qualify as Wider Aid for Trade** at national, regional and multilateral level, and in particular the ways in which the TRA provided fit into a broader strategy for trade development. With specific reference to category 5 (Trade Related Adjustment), the evaluation has to consider the Trade Related Adjustment activities relevant to the Trade Related Assistance.

Only the aspects of support to Trade-Related Assistance in Third countries fall within the **scope of this evaluation**. The evaluation should **build on the previous evaluations** carried in this field, as well as internal work by the Commission, taking care **not to duplicate** efforts already made. It should also build on existing work being carried out at the OECD on monitoring and Evaluation of Aid for Trade. Other evaluations are under way or planned in the area of infrastructure, regional integration, agricultural commodities and private sector development.

Only the ACP¹⁵ countries where EC co-operation is implemented are included in the scope of this evaluation.

The evaluation shall cover aid implementation **over the period 2004-2010**.

The evaluation should come to a **general overall judgement** of the extent to which Commission policies, strategies and sector programmes, including Sector budget Support and General Budget Support if applicable, have contributed to the achievement of the objectives and intended impacts, based on the answers to the agreed **evaluation questions**.

The evaluation should cover activities that fall within the relevant sub-sectors, financed from thematic and geographical budget lines/instruments, EDF and other relevant financial instruments. Non spending activities, as e.g. policy dialogue, should be also taken into consideration.

¹⁵ Africa, Caribbean and Pacific

The evaluation shall lead to **conclusions** based on objective, credible, reliable and valid findings and provide the EC with a set of operational and useful **recommendations**.

The evaluation shall be forward looking and take into account the most recent policy and programming decisions, providing lessons and recommendations for the continued support to trade integration of developing countries within the present context and relevant political commitments as well as taking into account the current processes within the Commission, e.g. the entry of force of the Lisbon Treaty and the ongoing creation of the European External Action Service (EEAS).

The evaluation will include a comprehensive desk phase followed by **country case studies** to be carried out in **6 different representative countries**¹⁶ (considering geographical criteria as well as various types of co-operation). The evaluators shall identify and formulate in-depth questions and test hypotheses for country case studies, allowing addressing the issues of relevance, effectiveness, efficiency, effects and sustainability of aid delivery to the EC trade related assistance. The case studies shall be selected¹⁷ in consultation with the Reference group, taking into account different experiences in the area of support to TRA as well as different country/regional contexts.

4. COVERAGE OF THE EVALUATION

In choosing specific countries in which to examine TRA policy and projects in more detail (including case studies during the field phase), the evaluators will act on the basis of selection criteria agreed with the Reference Group and the JIU.

The coverage of the evaluation includes:

1. Trade policy and regulation (Category 1) also including the trade-related dimension of Quality infrastructure, Sanitary and Phytosanitary Standards, intellectual property rights, as well as Technical Barriers to Trade.
2. Trade development (Category 2) also including the trade-related dimension of the enabling environment, the strengthening of private sector productive capacities (including industrial upgrade), innovation, Business Development Services (incl. entrepreneurship programmes for start-ups), business linkages (partnerships) and investment facilitation, Corporate social Responsibility, cross cutting inclusive/sustainable business as well as trade finance, cross cutting issues (SME, tourism, value chains and cultural industries).
3. Other trade-related needs (Categories 6) capturing programmes in other sectors with a trade-related dimension.
4. Trade Related Adjustment: Although this has been classified as Category 5 (Trade related Adjustment) and not part of the TRA, the evaluation has to consider the Trade Related Adjustment activities relevant to the Trade Related Assistance.

Furthermore, we include below, for indicative purpose, some aspects that will be covered by the evaluation and based on which further refinements will be necessary during the inception phase (not exhaustive):

¹⁶ To be finalised after discussion.

¹⁷ Possible criteria for country selection: (1) evidence of EC support to trade-related assistance, (2) Importance of Commission support in the country, (3) Covering all major regions, (4) Broader learning potentials, (5) Level of poverty, (6) The political and economic context, (7) Existence of budget support cooperation (not applicable to all regions), (8) Previous country involvement in thematic, sectoral and country/regional evaluations, (9) Regional programmes, (10) Linking relief, rehabilitation and development, (11) combination of different instruments, etc.

- Policy framework and links to programming and programme design; link to poverty reduction. Issues could include, amongst others, i) the extent to which the programming and interventions address the trade-growth-poverty nexus; ii) link between programming / design of TRA and the trade and growth binding constraints; iii) extent to which the design phase pays sufficient attention to key issues for the formulation of the trade-related programmes (such as institutional capacity building of trade/line ministries for capacity development, Technical Cooperation Backbone Strategy compliance, trade policies...etc.); iv) whether sufficient attention is paid to specific issues, such as the informal sector, private standards, gender, governance, judicial reform, fiscal policy, labour policy

- TRA and Regional integration: Linkages to regional integration in the policy framework, and coherence between this and the participation of partner countries in regional integration processes

- Specific issues of trade related assistance in LDCs (including within the Enhanced Integrated Framework)

- Dialogue on trade-related issues between the EU Delegations and national/regional stakeholders

The Evaluation shall follow up from previous TRA evaluations (both the 2004 and the 2006 one).

5. METHODOLOGY AND APPROACH

The overall methodology guidance is available on the web page of the Joint Evaluation Unit (JEU) under the following address:

http://ec.europa.eu/europeaid/how/evaluation/methodology/index_en.htm

The evaluation approach should encompass the following fundamental tasks:

- i. identify, explain and prioritise the Commission's objectives in the field of trade-related assistance to third countries, their logic and coherence, their **relevance** both to EU objectives and to the needs of recipient countries, the intended impact¹⁸ corresponding to each objective, and finally how these intended impacts fit within broader and changing contexts (sociological, cultural, economic, political).
- ii. identify all recorded **impacts** including unintended impacts or deadweight/ substitution effects (and compare them to intended impacts); assess **effectiveness** in terms of how far the intended results were achieved and also - to the extent that the interventions were effective - their **efficiency** in terms of how far funding, personnel, regulatory, administrative, time and other resource considerations contributed to, or hindered the achievement of results;
- iii. consider the **sustainability** of trade-related assistance activities, that is an assessment of whether key results, taking account in particular of the institutional capacity required to maintain consistent levels of access and service delivery;

¹⁸ Please note the ordering of the five criteria. In the context of the programmes of the External Relations Directorates-General, the increased focus on *impact* is of particular importance given the current emphasis on results-based management as well as on partner Governments to focus their policies more on poverty alleviation, good governance, democracy, and sound macroeconomic management

-
- iv. assess how far the development and delivery of TRA programmes has taken account of **cross cutting issues** (e.g. environment, gender, HIV/AIDS, human rights);
 - v. assess what is the **EC added value** of the actions, not only as concerns financing, but also regarding policy dialogue and other aspects. Co-ordination, complementarity and synergies with EU member states and other donors are also to be examined. In this respect, the evaluation should build on **Paris declaration principles**.
-

5.1. Key deliverables

The evaluation manager, within the Joint Evaluation Unit, identifies the Commission services to be invited to the Reference Group (RG), which will ensure that the Commission expertise is fully utilised and all the relevant information is provided.

The evaluation manager prepares the *Terms of References* (ToR) for the evaluation and sends them to the Contractor.

Within 14 days after the reception of the ToR, the Consultants will present a launch note¹⁹ which should contain:

- their understanding of the ToR;
- a methodological note including the implementation of the quality control;
- the provisional composition of the evaluation team with CVs²⁰;
- a proposed budget²¹.

Following the launch note, the main key deliverables are:

- The kick off meeting
- The inception meeting;
- The inception report;
- The desk report;
- The final reports;
- The dissemination seminar in Brussels.

¹⁹ In the case of a tender procedure, the launch note will be replaced by the financial and technical proposal of the tender

²⁰ All birthday dates must be written in the following format: dd/mm/yyyy

²¹ In the frame of a "framework contract"

5.2. Desk Phase

Following the approval of the *Launch Note* by the Evaluation Unit, the evaluation team will meet the reference group during the *kick-off meeting* in order to present the experts and the approach they intend to follow for the inventory.

5.2.1. The Inception Meeting

During the inception meeting the consultants will present the results of the inventory (see below) and will propose the first ideas for the evaluation questions following the results of the inventory.

On the basis of the preliminary study and any possibly necessary further information to be collected and analysed, the Consultants will propose evaluation questions and prepare explanatory comments for each of them. The choice of the questions determines the subsequent phases of information and data collection, elaboration of the methods of analysis, and elaboration of final judgements. The consultants will also identify appropriate judgement criteria.

A meeting will be held with the reference group to discuss, confirm and validate:

- The evaluation's regulatory framework, its context, main users and expected uses (for confirmation);
- The evaluation's central scope (for confirmation);
- The scope extended to related policies (for confirmation);
- The intervention logic according to official documents (for confirmation), as well as a re-worked version if necessary;
- The evaluation questions;
- Explanatory comments associated to each evaluation questions (when possible, indicate judgement criteria).

Upon validation by the Reference Group, the evaluation questions will become part of the ToR.

5.2.2. Inception Report

At the end of the inception phase, the consultants must deliver an inception report, which finalises the evaluation questions and describes the main lines of the methodological design including the indicators to be used, the strategy of analysis and a detailed work plan for the next stage.

The *Inception report* will be divided into two parts. **The first part** (inventory) will contain the complete overview of EC financial contributions and if necessary non financial activities made in support of trade-related assistance in the period 2004-2010. This should indicate contracted amounts and disbursement, and be presented in a typology which helps to analyse how the support strategies evolved over time. Clear information to be provided regarding level of support to different sectors; type of countries; and type of activities. This overview will also include all relevant Budget Support operations (both General budget support and Sector budget support). **The second part** of the inception report will consist of the analysis of all relevant key documents, including the relevant policy, programming documents and agreements (this includes all Country Strategy Papers and National Indicative Programmes) as well as analysis of all Country Level

Evaluations relevant for the period 2004-2010. The report should also provide an overview and analysis of other existing relevant evaluations.

The inception report contains the following elements:

- the intervention logic;
- the validated evaluation questions;
- a limited number of appropriate judgment criteria per evaluation question;
- a limited number of quantitative and/or qualitative indicators related to each judgment criterion;
- a proposal containing suitable working methods to collect data and information in the Commission's headquarters and delegations, including information coming from the country itself and other donors in the country;
- a first outline of the strategy and the methods used to analyse the collected data and information indicating any limitations;
- a chain of reasoning for answering the question;
- a concise description of the development co-operation context of the Commission related to the evaluation questions;
- A detailed work plan for the next stage.

The report will also confirm, if necessary:

- the final composition of the evaluation team and
- The final work plan and schedule.

The two latter points will be agreed and confirmed through a formal exchange of letters between the Consultants and the Commission.

5.2.3. Desk Report

Upon approval of the inception report the Consultants proceed to the final stage of the desk phase. At the end of this phase, the Consultants will present a desk report setting out the results of this phase of the evaluation including all the following listed elements (the major part of the inception report will be in the annex of the desk phase report):

- the evaluation questions with the agreed judgement criteria and its quantitative and qualitative objectively verifiable indicators;
- the first elements of answer to the evaluation questions when available and the hypotheses to be tested in the field;
- progress in the gathering of data. The complementary data needed for the analysis and to be collected in the field have to be identified;

- methodological design, including evaluation tools ready to be applied in the field phase: (i) suitable methods of data collection within the countries indicating any limitations, describing how the data should be cross-checked and specifying the sources, (ii) appropriate methods for data collection and to analyse the information, again indicating any limitations of those methods;
- an exhaustive list of all the activities covered during the period (see the preliminary report) and an exhaustive list of all activities examined during the desk phase, bearing in mind that activities analysed in the desk phase and the field phase (including ROM) have to be as representative as possible;
- a work plan for the field phase: a list with brief descriptions of activities, projects and programmes for in depth analysis in the field. The consultants must explain the value added of the visits.
- Relevant interventions under Category 5 of the Wider Aft Agenda, namely "Trade-related adjustments";
- Macroeconomic data related to trade development and regional/national level, such as trade statistics, regional/ international trade flows etc;
- Main challenges/constraints at national/regional level in the area of policy dialogue on Aft, partner country ownership, implementation of the Integrated Framework for TRA etc;
- In order to increase the evidence based of the evaluation the consultants will analyze all the Country level and regional level evaluations recently conducted that can be useful in increasing the analysis at the Country and regional level.

The field missions cannot start before the evaluation manager has approved the desk report.

5.2.4. Field Phase Reporting

The fieldwork should be undertaken on the basis set out in the desk report and approved by the reference group (which includes the relevant Delegations as soon as countries or regions have been chosen) chaired by the Joint Evaluation Unit. The work plan and schedule of the mission are agreed in advance with the Delegation concerned and with the Joint Evaluation Unit. If during the course of the fieldwork it appears necessary to deviate from the agreed approach and/or schedule, the Consultants must ask the approval of the Joint Evaluation Unit before any changes may be applied. At the conclusion of the field study the Consultants present the field findings of the evaluation:

Prior completion of each country visit the Evaluation team shall prepare for the EU Delegation concerned a **debriefing of the field mission**, seeking to validate the data and the information gathered.

The team will proceed to prepare **informative notes** for Country visit and submit them to the Evaluation Unit within 4 weeks after returning from the field. The notes will state the findings encountered both at the level the country missions. These notes will be then annexed to the *Final Report*. Before the start of the Final report phase, the Evaluation team shall present results of the field phase in the form of a powerpoint presentation to the Reference Group.

In order to further strengthen the evidence base for the evaluation, it is envisaged to hold a number of video conferences with a number of selected Delegations (focus group) through the facilities available at Europeaid (a minimum of 9 EUDs should be covered)

5.2.5 Final Reports and Seminar

5.2.5.1. Draft Final Report

The Consultants will submit the draft final report in conformity with the structure set out in annex 2. Comments received during de-briefing meetings with the Delegation and the reference group must be taken into consideration.

The Consultants may either accept or reject the comments but in case of rejection they must justify (in writing) the reasons for rejection (the comments and the Consultants' responses are annexed to the report). If the Consultants do not want to take them in the report, they must explain in a separate document the reasons why.

If the evaluation manager considers the report to be of sufficient quality (cf. annex 3), he/she will circulate it for comments to the reference group. The reference group will convene to discuss it in the presence of the evaluation team.

A presentation (.ppt) presenting for every question 4-5 slides on:

- The theory of action (part of the intervention logic concerned) with the localisation of the EQ;
- One table with Judgement criteria and indicators;
- Findings (related to JC and Indicators) and their limits;
- Conclusions and recommendations.

5.2.5.2. Final Report

The Consultants will prepare the final report based on of further comments from the reference group, the Delegations and/or the evaluation manager. The final report will be in English. the executive summary (5 pages) will be translated into French and Portuguese.

110 copies of the Final Main Report (including the executive summary in the three linguistic versions) must be sent to the Joint Evaluation Unit with an additional 10 reports with all printed annexes. A CD-Rom with the Final Main Report and annexes has to be added to each printed report.

The evaluators must make available in an appropriate medium (electronic or paper) all relevant data gathered during the evaluation.

The contractor shall submit a **methodological note** explaining how the quality control and the capitalisation of lessons learned have been addressed.

The Joint Evaluation Unit will make a formal judgement on the quality of the evaluation (cf. annex 3).

The report should reflect a rigorous, methodical and thoughtful approach. The evaluation shall lead to **conclusions** based on objective, credible, reliable and valid findings and provide the EC with a set of operational and useful **recommendations**. It should cover all the points listed under chapter 3 above.

The evaluation shall be forward looking and take into account the most recent policy and programming decisions, providing lessons and recommendations for the continued support to agricultural commodities within the present context and relevant political commitments (such as the European consensus and the Paris Declaration²³) as well as taking into account the current processes within the Commission.

Recommendations must be:

- Linked to the conclusions;
- Clustered, prioritised and targeted at specific addressees;
- Useful and operational;
- If possible, presented as options associated with benefits and risks.

The final version of the *Final Report* shall be presented in a way that enables publication without any further editing.

5.2.5.3. Seminar

The final report will be presented at a seminar in Brussels. The purpose of the seminar is to present the results, the conclusions and the recommendations of the evaluation to all main stakeholders concerned (EC services, Member States, Members of the European Parliament, representatives of the partner countries and civil society organisations and other donors).

The Consultants shall prepare a presentation (Power point) for the seminar. This presentation shall be considered as a product of the evaluation in the same way as the reports and the data basis. For the seminar 60 copies of the report (including the executive summary in the three linguistic versions) and 10 reports with full printed annexes (see annex 2 of the ToR) have to be produced.

The Final presentation will include slides for:

- Context of the evaluation;
- Intervention logic and focus of questions
- Answers to the evaluation questions ;
- Conclusions and
- Recommendations

The Joint Evaluation Unit makes a formal judgement on the quality of the evaluation (cf. annex 3).

²³ OECD 2 March 2005

6. EVALUATION QUESTIONS

The evaluation will be based on the seven evaluation criteria: relevance, impact, effectiveness, efficiency, sustainability, coherence and the EC value added. The first five correspond to the traditional practice of evaluation of development aid and have been formalised by the OECD (DAC). The following two apply to all EC policies. The criteria will be given different weightings based on the priority accorded to the evaluation questions.

In general, questions (to a maximum of 10) will refer to the following main areas:

- **Relevance of the strategy/programme:** this includes both relevance to the general objectives of the EC and relevance to commitments on an international level the EC has itself committed to.
- **Design and consistency²³ of the intervention strategy/programme:** this mainly concerns the extent to which the resources foreseen were adequate in relation to the objectives set out in the programming documents.
- **Consistency of the implementation in relation to the strategy:** the Consultants shall verify the extent to which the work plan, schedule and implementation of the activities (all types of interventions, geographical and sectoral distribution, instruments, and aid delivery channels included) were consistent with the strategy. They shall demonstrate who were the real beneficiaries, direct or indirect, of the intervention and compare them to the target population(s) in the programming documents. The Consultants will also verify the extent to which the intervention modalities (instruments, aid delivery channels, etc.) were appropriate to the objectives, with **special attention paid to budget support**
- **Achievement of main impacts/effects:** the Consultants shall identify all recorded results and impacts, including any unintended ones, and compare these to the intended results and/or impacts. The Consultants will also identify the changes, which occurred in the areas in which EC programmes were supposed to produce an impact.
- **Efficiency of the implementation:** for the activities which were effective, it will be necessary to question to what extent funding, human resources, regulatory and/or administrative resources contributed to, or hindered the achievement of the objectives and results.
- **Sustainability of the effects:** an analysis of the extent to which the results and impacts are being, or are likely to be maintained over time.
- **Coherence (definition):** the extent to which the intervention logic is not contradictory/the intervention does not contradict other intervention with similar objectives.

²³ The notion of consistency should be understood here as follows: (i) correspondence between the different objectives of a strategy, implying that there is a hierarchy of objectives (with lower level objectives logically contributing to the higher level ones), (ii) extent to which the resources foreseen are adequate in relation to the objectives set out in the strategy

- **Value added of the EC interventions:** The criterion is closely related to the principle of subsidiarity and relates to the fact that an activity/operation financed/implemented through the EC should generate a particular benefit.

There may be three practical elements to illustrate possible aspects of the criterion:

- The EC has a particular capacity for example experience in regional integration, above those of the Member States;
- The EC has a particular mandate in the framework of the '3Cs' and can draw member states to a greater effort together;
- EC cooperation is guided by a common political agenda embracing all Member States.

Key cross-cutting issues: for example gender, environment and climate change, human rights, HIV/AIDS, institutional capacity building, etc. Verification should be undertaken, on the one hand, of the extent to which account has been taken of these priorities in the programming documents and, on the other hand, to what extent these issues have been reflected in the implementation modalities and in the effects of the intervention.

The 3Cs (co-ordination, complementarity and coherence): co-ordination / complementarity with EU Members States and other donors; coherence with EU policies (including the Member States' own policies and eventual interventions of the EIB).

7. RESPONSIBILITY FOR THE MANAGEMENT AND THE MONITORING OF THE EVALUATION

The Joint Evaluation Unit (AIDCO 03) is responsible for the management and monitoring of the evaluation with the assistance of the reference group.

Information will be given to the Consultants after the signature of the contract concerning the documents referred in Annex 1.

8. THE EVALUATION TEAM

The evaluation team should possess a sound knowledge and experience in:

- evaluation methods and techniques in general and, if possible, of evaluation in the field of development cooperation;
- in at least these fields pertaining to the topic of the evaluation: trade policy and international commercial negotiations, development co-operation policy, macroeconomics, governance, regional integration, private sector development.
- The team should comprise a reasonable mix of consultants familiar with the different regions, but with particular experience in relation to ACP countries, Asia, Latin America and the Mediterranean partner countries

- The following language(s): the main language of the work and the report will be English, but for the country case studies other working languages may be necessary (e.g. French, Spanish, Portuguese).

The Joint Evaluation Unit strongly recommends that the evaluation team should include consultants from the country or the region (notably, but not only, during the field phase) with in-depth knowledge of key areas of the evaluation.

Consultants must be strictly neutral. Conflicts of interests must be avoided.

It is highly recommended at least for the team leader to be fully familiar with the methodological approach set by the EC.

9. TIMING

The evaluation is expected to start in November and to last for 18 months. It will be divided into the phases as indicated in the table below. In the launch note the timing of activities will be set according to the following indicative work plan.

The dates mentioned in the launch note may be changed, during contract duration, with the agreement of all concerned.

<i>Evaluation Phases and Stages</i>	<i>Notes and Reports</i>	<i>Dates</i>	<i>Meetings/Communications</i>
Desk Phase			
Structuring Stage	Short presentation (logical diagram and IQ)	February 2011	RG Meeting
	Draft Inception Report	March 2011	Optional: Short preparatory visit of the consultants to the field.
	Final Inception Report	April 2011	A formal exchange of letters between the Consultants and the Commission confirms the final composition of the evaluation team and the final work plan and schedule.
Desk Study	Draft Desk Report	Beginning of September 2011	RG Meeting
	Final Desk Report	October 2011	
Field Phase		October – January 2012	De-briefing meeting with the Delegations.
	Presentation	February 2012	RG Meeting

Synthesis phase (with the seminar in Brussels)			
	1st draft Final report	April 2012	RG Meeting
	Main Final Report	May 2012	110 copies of the Final Main Report must be sent to the Evaluation Unit. Additional 10 reports with all printed annexes must be sent to the Joint Evaluation Unit as well.
		June 2012	Seminar in Brussels 60 copies of the report and 10 reports with full printed annexes.

10. COST OF THE EVALUATION AND PAYMENT MODALITIES

The overall costs include:

- The evaluation as such;
- 2.5% of the total budget excluding the costs of the seminar are to be used for quality control;
- A seminar.

The total of these 3 elements must not exceed 600,000,00 Euros

NB: The budget for the seminar (fees, per diems and travel) will be presented separately in the launch note.

According to the service contract, payments modalities shall be as follow:

- 30% on acceptance of the Inception Report, plus 2.5% of the agreed budget to be used for quality control;
- 50% on acceptance of the Draft Final Report;
- The balance on acceptance of the final report.

Seminar related costs are to be invoiced and paid separately.

The invoices shall be sent to the Commission only after the Joint Evaluation Unit confirms in writing the acceptance of the reports.

1). ANNEX 1 – KEY DOCUMENTATION (non-exhaustive list)

EC Policy documents:

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Towards an EU Aid for Trade strategy – the Commission's contribution Brussels, 4.4.2007 COM(2007) 163 final;

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT: TRADE AND DEVELOPMENT ASSISTING DEVELOPING COUNTRIES TO BENEFIT FROM TRADE Brussels, 18.9.2002 COM(2002) 513 final;

Guidelines for European Commission Trade Related Assistance, May 2003;

EU Strategy on Aid for Trade: Enhancing EU support for trade-related needs in developing countries- Conclusions of the Council and of the Representatives of the Governments of the Member States meeting within the Council, October 2007;

EU Aft Monitoring reports of 2010, 2009, 2008.

Other references mentioned in the ToR

Programming and monitoring tools:

Programming guidelines for Country Strategy Papers;

Indicators for monitoring progress;

Methodology to assess partner countries' performance;

Toolkit on mainstreaming gender equality in EC development cooperation

http://www.ec.cec/EUROPEAID/ThematicNetworks/qsg/Networks/newGender/documents/1k_section2_priority_areas.pdf;

On programming, the EC interservice quality support group intranet web page is to be used (accessible within EC computer network only):
<http://www.ec.cec/home/dgserv/dev/newsite/index.cfm?objectid=95E08920-E0CF-8351-805A6B642803AD28>;

ROM (Results oriented monitoring) reports, available in CRIS database, including ex-post ROM reports, produced since January 2007;

Reference Web sites:

Doha Development Agenda: Negotiations, implementation and development:
http://www.wto.org:80/english/tratop_e/dda_e/dda_c.htm;

The overall methodology guidance for evaluations:

<http://ec.europa.eu/comm/europeaid/evaluation/methodology2/index>;

Millennium Development Goals - www.un.org/millenniumgoals/;

UN Millennium Development Goal Indicators Database
http://unstats.un.org/unsd/mi/mi_goals.asp;

The Integrated Framework (IF) for Trade-Related Technical Assistance to least-developed countries (LDCs)- I.M. Evaluations - ON-GOING\Trade related assistance\1. Documents\Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries.mht;

Other key documents:

Paris Declaration on Aid Effectiveness, OECD (2 March 2005)

Relevant evaluation reports related to the activities covered by the evaluation, for details see:

Evaluation reports commissioned by the Evaluation Unit
http://ec.europa.eu/europeaid/evaluation/intro_pages/reports.htm

European evaluation inventory
http://ec.europa.eu/comm/dg/aideo/ms_cc_evaluations_inventory/evaluationslist.cfm?start=101;

Alliance 2015 report: The EU's contribution to the Millennium Development Goals - Halfway to 2015: Mid-term Review, June 2007;

Relevant reports issued by WB, UNDP and other multilateral institutions, reports from MS and other donors:

Evaluation of Trade-Related Assistance by the European Commission in Third Countries, ADE, May 2004:

Trade-related assistance- what do recent evaluations tell us? OECD-
<http://www.oecd.org/dataoecd/31/45/37624158.pdf>;

Joint evaluation of co-ordination of trade capacity building in partner countries, Triple C evaluations, 2006:

Making trade work for development AID FOR TRADE: A SELECTION OF CASE STUDIES FROM AROUND THE WORLD:
http://trade.ec.europa.eu/doclib/docs/2006/january/tradoc_118805.pdf;

Publication and sources on Budget Support:

Guidelines on the Programming, Design & Management of General Budget Support, EC, 2007

The Joint Evaluation of General Budget Support 1994–2004, Burkina Faso, Malawi, Mozambique, Nicaragua, Rwanda, Uganda, Vietnam, Evaluation of General Budget Support: Synthesis Report IDD and Associates, May 2006 (available on http://ec.europa.eu/comm/europeaid/evaluation/document_index/2006/705_docs.htm)

Note on Approach and Methods for the Evaluation of General Budget Support, IDD and Associates, January 2007

European Court of Auditors. Information note by the European Court of Auditors on Special Report No 2/2005 concerning EDF budget aid to ACP countries: the *Thematic global evaluation of European Commission's support to trade-related assistance in third countries*

Commission's management of the public finance reform aspect. (September 13, 2005)
European Court of Auditors: Luxembourg.

Revue du Programme d'Appui Budgétaire Conjoint pour la Réduction de la Pauvreté
(2004-2006) de la Commission Européenne au Bénin, Novembre 2006, ADL s.a.

All other recent evaluations of Budget Support should be extensively used.

12. ANNEX 2. - STRUCTURE OF THE (DRAFT) FINAL REPORT

Length: The overall length of the final evaluation report should not be greater than 60 pages (including the executive summary). Additional information on overall context, programme or aspects of methodology and analysis should be confined to annexes (which however should be restricted to the important information).

1. Executive Summary

Length: 5 pages maximum

This executive summary must produce the following information:

- 1.1 - Purpose of the evaluation;
- 1.2 – Background to the evaluation;
- 1.3 – Methodology;
- 1.4 – Analysis and main findings for each Evaluative Question; short overall assessment;
- 1.5 – Main conclusions;*
- 1.6 – Main recommendations.*

** Conclusions and recommendations must be ranked and prioritised according to their relevance to the evaluation and their importance, and they should also be cross-referenced back to the key findings. Length wise, the parts dedicated to the conclusions and recommendations should represent about 40% of the executive summary.*

2. Introduction

Length: 5 pages

- 2.1. Synthesis of the Commission's Strategy and Programmes: their objectives, how they are prioritised and ordered, their logic both *internally* (ie. the existence – or not – of a logical link between the EC policies and instruments and expected impacts) and *externally* (ie. Within the context of the needs of the country, government policies, and the programmes of other donors); the implicit assumptions and risk factors; the intended impacts of the Commission's interventions.*
- 2.2. Context: brief analysis of the political, economic, social and cultural dimensions, as well as the needs, potential for and main constraints.*
- 2.3. Purpose of the Evaluation: presentation of the evaluative questions

** Only the main points of these sections should be developed within the report. More detailed treatment should be confined to annexes*

3. Methodology

Length: 10 pages

In order to answer the evaluative questions a number of methodological instruments must be presented by the consultants:

- 3.1. Judgement Criteria: which should have been selected (for each Evaluation Question)

and agreed upon by the steering group;

- 3.2. Indicators: attached to each judgement criterion. This in turn will determine the scope and methods of data collection;
- 3.3. Data and Information Collection: can consist of literature review, interviews, questionnaires, case studies, etc. The consultants will indicate any limitations and will describe how the data should be cross-checked to validate the analysis.
- 3.4. Methods of Analysis: of the data and information obtained for each Evaluation Question (again indicating any eventual limitations);
- 3.5. Methods of Judgement

4. Main Findings and Analysis

Length: 20 to 30 pages

- 4.1. Answers to each Evaluative Question, indicating findings and conclusions for each;
- 4.2. Overall assessment of the EC Strategy. This assessment should cover:
 - Relevance to needs and overall context, including development priorities and co-ordination with other donors;
 - Actual Impacts: established, compared to intended impacts, as well as unforeseen impacts or deadweight/substitution effects;
 - Effectiveness in terms of how far the intended results were achieved;
 - Efficiency: in terms of how far funding, personnel, regulatory, administrative, time and other resource considerations contributed or hindered the achievement of results;
 - Sustainability: whether the results can be maintained over time.
 - EC value added

5. A Full Set of Conclusions and Recommendations

Length: 10 pages

A Full set of Conclusions* and Recommendations* (i) for each evaluation question; (ii) as an overall judgement. (As an introduction to this chapter a short mention of the main objectives of the country programmes and whether they have been achieved)

**All conclusions should be cross-referenced back by paragraph to the appropriate findings. Recommendations must be ranked and prioritised according to their relevance and importance to the purpose of the evaluation (also they shall be cross-referenced back by paragraph to the appropriate conclusions)*

Annexes should include logical diagrams of EC strategies; judgement criteria forms; list of the projects and programmes specifically considered; project assessment fiches; list of people met; list of documentation; Terms of Reference; any other info (also in the form of tables) which contains factual basis used in the evaluation; etc.

- Power point presentation with 4 slides for each evaluation questions illustrating in a synthetic and schematic way the evaluation process: 1st slide) logical diagram with the evaluation question, 2nd slide) judgment criteria, indicators and target level, 3rd slide) findings compared with success criteria, and 4th slide) interventions of the EC plus limits of the evaluation.

13. ANNEX 3 - QUALITY ASSESSMENT GRID

Concerning these criteria, the evaluation report is:	Unacceptable	Poor	Good	Very good	Excellent
1. Meeting needs: Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?					
2. Relevant scope: Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?					
3. Defensible design: Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?					
4. Reliable data: To what extent are the primary and secondary data selected adequate. Are they sufficiently reliable for their intended use?					
5. Sound analysis: Is quantitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way?					
6. Credible findings: Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?					
7. Validity of the conclusions: Does the report provide clear conclusions? Are conclusions based on credible results?					
8. Usefulness of the recommendations: Are recommendations fair, unbiased by personnel or shareholders' views, and sufficiently detailed to be operationally applicable?					
9. Clearly reported: Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?					
Taking into account the contextual constraints on the evaluation, the overall quality rating of the report is considered.					

(for details on how criteria are rated refer to:

http://ec.europa.eu/comm/europeaid/evaluation/methodology/guidelines/gu1_qal_flr_