

**"EU initiatives to strengthen trade policy formulation
and implementation in LDCs: Exploring the Need for
an Institutional Approach"**

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Introduction

This paper focuses on Trade-Related Technical Assistance (TRTA) provided by the European Union to the Africa Caribbean Pacific (ACP) countries and other Least Developed Countries (LDCs). The context is the centrality of the development dimension in the current Doha Development Round and negotiation of Economic Partnership Agreements (EPAs) with regional groupings of ACP countries. These countries are challenged to elaborate their trade-related development agendas in the negotiations and the EU has to ensure that its support generates quantitative and qualitative results. Following an approach rooted in institutional theory, donor-driven TRTA is itself considered as an important part of the institutional framework with its own rules and constraints. The analysis of actual EU TRTA, building on the emergent literature, also takes into consideration country case studies and experience 'in progress' from a cluster of 'all ACP' TRTA programmes. From this some conclusions are drawn. The approach is less concerned with the debates around the key issues in the current Doha Development Round (DDR) and EPAs – market access, tariff and quota liberalization, adjustment and compensation – than how TRTA can best strengthen developing countries' institutional capacity in trade so that they meet the challenges posed by the rule-based multilateral trading system and alleviate poverty. In the main, while there are emerging good practices and successes, it is concluded that enhanced institutional coherency will impact positively on the quality and results of TRTA.

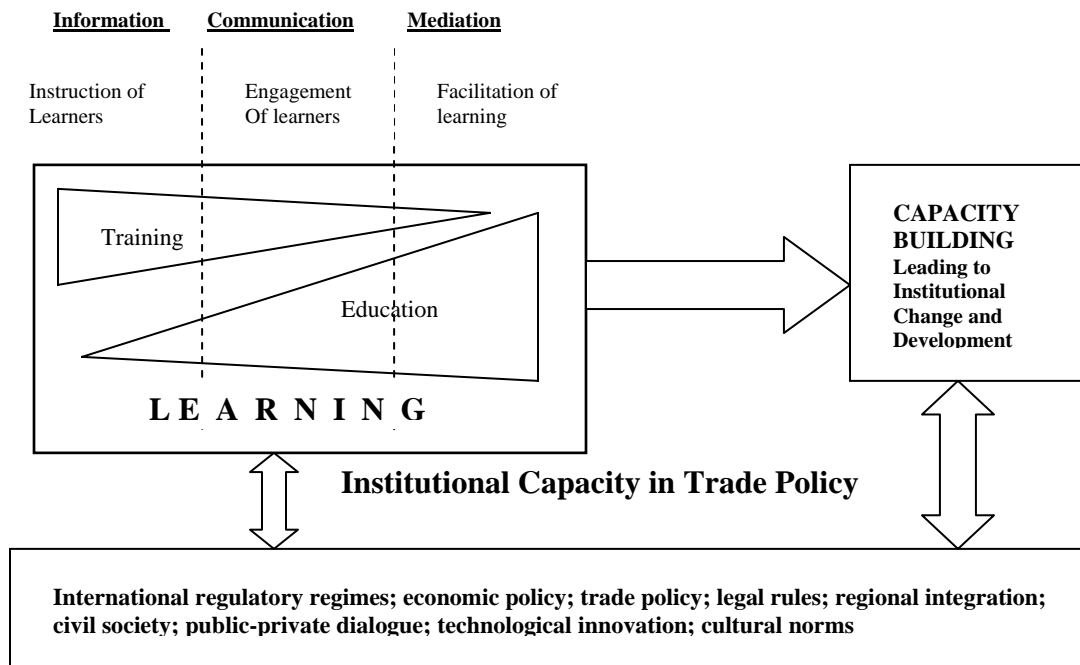
Trade capacity building can be narrowly defined as a process by which individuals, groups and organizations enhance their abilities to perform tasks, solve problems and both set and achieve objectives in the field of trade and trade-related policy making and implementation. A broader definition includes the institutional settings – organizational structures, the legal system, governance, civil society organizations, private sector intermediary organizations and public-private consultative structures. The available literature on the results of donor-funded programs suggests that there are major bottlenecks in multilateral, intra-governmental, intra-regional and public-private communication processes as well as individual and organizational competence. Consideration of competence factors needs to include analysis of the capabilities and actual activities of providers of TRTA including, for example, whether their interventions have resulted in lasting improvements. Donors and government authorities have tended to focus their resources and capacity building activities on government ministries, regulating and enforcement authorities, regional integration organizations, private sector associations, civil society representatives and universities, but results seem to have been variable. It is, for example, uncertain that there are effective processes of trade policy formulation dialogue in many developing countries.

An institutional approach

The core argument of this paper is that institutions do indeed matter and TRTA, in order to be effective, needs to be designed within the institutional framework that will shape the direction of new knowledge and skills. An institutional approach to TRTA further entails understanding the dynamics and processes of institutional change. Following

Douglass North's path finding work on political economy, the institutional framework comprises formal rules, informal constraints (norms, beliefs, routines, conventions, customs, taboos) and their enforcement characteristics; it shapes the development of organizations and the acquisition of knowledge and skills. Institutional change entails changing the incentive structure, including monetary rewards, rewards for acquiring knowledge, tolerance for development and the utility of research (North 1990). According to North, changing the incentive structure has been the major tool by which humans have attempted deliberately to alter their environment and encompasses many of the efforts in the contemporary world to improve the performance of third world economies. Yet institutional change is not a linear process and could involve trial and error: there are institutions that reward crime and restrictions on output just as there are institutions that reward productive endeavour and lower transaction costs.

Figure 1. **Learning, Sustainable Development and Capacity Building**



Adapted from: Scott and Gough (2003: 38)

The model above represents a development of institutional theory into a formulation of 'institutional capacity in trade policy'. The key institutions include: the international regulatory regimes and legal implementation rules; trade and economic policy; regional integration and regional integration organizations (RIOs); civil society, public-private dialogue and consultation structures and technological innovation. In North's terms, these are the 'formal rules', but institutional analysis needs to incorporate the 'informal constraints' – the socio-cultural norms and values in society. The working model is intended to show the connections between institutional capacity building and trade. Discussion on these concepts leads to a more nuanced understanding of trade capacity building that encapsulates not only education, training and other forms of human resource development, but also the institutional settings and informal constraints. Trade capacity

building can be narrowly defined as a process by which individuals, groups and organizations enhance their abilities to perform tasks, solve problems and both set and achieve objectives in the field of trade and trade-related policy making and implementation. A broader concept of institutional capacity building entails not only strengthening and supporting the organizations and institutions that matter in trade, but also, for example, developing institutional linkages that create effective evidence-based negotiation strategies. This includes creating incentives for learning to take place and nurturing educational and research organizations that will sustain institutional capacity. The two very different developing country case studies, from the Republic of Yemen and the Kingdom of Swaziland, serve to highlight the need for an integrated institutional approach to building trade capacity.

The Republic of Yemen

The importance of institutions in trade policymaking has been underlined by, for example, the Integrated Framework's 'Diagnostic Trade Integration Studies'. The Diagnostic Trade Integration Study (DTIS) for the Republic of Yemen is a case in point. The Yemen DTIS addresses trade-related topics and attempts to locate proposals for technical assistance within the institutional settings. Concerning trade facilitation, institutional obstacles reflecting overlap of government functions are identified. These include unnecessary inspection at the border and at roadside by agencies of government with different mandates – customs, security and standards. The report further refers to problems created by “the ambiguities flowing from decentralization about who should do what” (2003 : 73). The ambiguities, arguably, relate both to formal rules such as property rights and informal constraints or cultural traditions that are nested in Yemen's complex social structure characterized by delicate power relations between tribal leaders and central and local government. Changes in the formal rules such as customs reform can face ‘difficulties of sustainability’ in the face of deep rooted informal constraints. An underlined point in the Yemen DTIS is that “Yemen's needs not WTO requirements (should) set the order for institution building.” (2003 : 63). This may be implicit acknowledgement that institutional path dependency acts as a powerful constraint to accommodating international rules and standards. Yemen provides a challenging case for institutional capacity building and the issue of a very country-specific approach based on overriding poverty alleviation objectives merits deeper consideration.

The Kingdom of Swaziland

As a small landlocked county in the SADC grouping, Swaziland provides an interesting case study. Gitonga (2007), noting a lack of institutional coherency in the process of trade policy making, has argued for a national approach involving all relevant actors, public private and civil society. This includes important organizations such as the Swaziland Sugar Association, representative of a highly sensitive and important sector, as well as civil society organizations. The table below shows the institutional difficulties in trade policy making, even without taking into account the regional dimension, in the case of a small country like Swaziland.

Table 1. Key Trade Policy Making Organizations in Swaziland

Organization	ROLE IN TRADE POLICY FORMULATION	KEY AID FOR TRADE CATEGORY
Ministry of Foreign Affairs and Trade	<ul style="list-style-type: none"> • National Export Strategy. • WTO Trade Policy Review • WTO, COMESA, SADC, EPAs, AGOA • Responsible for SACU National Body (trade remedies, tariff administration) 	Trade policy formulation and regulation Trade development
Ministry of Enterprise and Employment	<ul style="list-style-type: none"> • Responsible for enterprise, industry and employment, competition, unfair trade remedies 	Trade development
Ministry of Finance	<ul style="list-style-type: none"> • Responsible for the SACU Common Revenue Pool which provides over 50% of Government • Customs 	Infrastructure
Ministry of Agriculture	<ul style="list-style-type: none"> • Responsible for all agriculture related issues in the country. 	Productive capacity
Ministry of Economic Planning and Development	<ul style="list-style-type: none"> • Poverty Reduction Strategy Paper • National Development Strategy • Millennium Development Goals • National Aid Policy • National Adaptation Strategy 	Adjustment

Source: Gitonga (2007)

While efforts are being made to improve coordination, not only among different aspects of trade policy but also among the political and economic actors involved domestically, constraints do remain, not least a lack of national coherency and a lack of knowledge detrimental to Swaziland's participation in SADC and the EPA negotiations. Encouragingly, a national Negotiating Forum consisting of Government, business and civil society, has been set up to facilitate the coordinating process. A serious need remains, however, for a deeper level of understanding and participation in the WTO and EPA negotiations by all sectors and players in the economy. According to Gitonga, the approach should ideally lead to a focused capacity building intervention at a national level, rather than the piecemeal participation of a few officials in regional workshops which tend to omit civil society, private sector, academia, parliamentarians and other economic players in the country.

Critical Perspectives on donor-funded TRTA

International development aid has been driven by overarching objectives of institutional development and poverty alleviation in developing countries but, prominent writers have expressed doubts about the incentives for learning that have been created. For example, Fukuyama (2004) has described an inherent contradiction in donor policy in that donors want both to increase the beneficiary government's capacity to provide a particular service, and to actually provide those services to end users. He argues that "the latter

objective almost always wins out because of the incentives facing the donors themselves. While many donors believe they can work toward both goals simultaneously, in practice the direct provision of services almost always undermines the local government's capacity to provide them once the aid program terminates" (2004 : 54).

More recently, Drezner (2007) has argued that powerful states – especially the great powers – still dominate international regulatory regimes and that these regulatory goals are driven by their domestic interests. In the case of TRIPS and public health, for example, Drezner has shown that, although the global civil society achieved significant gains public health “gains” concerning the availability of ARV treatment for HIV/AIDS treatment, in fact the United States used the public health arguments “to argue in favour of more stringent Intellectual Property Rights protections post-Doha” (2007: 202). In TRTA, northern development specialists are frequently up against “conflicts of interests” arguments that are given credence by a skewing towards projects aimed at enforcing legal compliance and strengthening public administration. The essence of these views, focused on the dynamics of global development, is that it is the institutional framework, including the competitive interests of powerful member states, of the donor communities and multilateral institutions such as the EU, shape the emerging institutions in ACP countries.

International development aid, or more particularly TRTA and capacity building, is frequently aimed at building or changing institutions in developing countries. As institutional theorists suggest, this could take the form of transplanting developing countries' institutions into the developing world. An additional strand of global development criticism has emerged in recent work by Easterly (2006), in particular and Calderisi (2006), former senior World Bank officials. While calling into question the institution of development itself and the culture that has developed around it, they criticise methods, practices, efficiency and effectiveness. Easterly (2006), notably characterizes much development aid as centralized bureaucratic planning rather than bottom-up searching for positive local initiatives to support. Notwithstanding the sensational aspects of exposés by former insiders, Easterly's distinction between planning and searching is useful in TRTA, especially with regard to trade and development: the promotion of entrepreneurship, private sector development and public-private dialogue by ‘searching for and encouraging promising local initiatives’ can ultimately strengthen a country's trade capacity and inform its trade policy.

This paper builds, particularly, on recent studies by te Velde (2006), Saner and Paez (2006) and Prowse (2005). In a critical assessment of the EU's trade-related technical assistance to third countries, te Velde found that apart from weak capacity in developing countries' trade ministries, the main problems centred on programming and budgeting difficulties, particularly concerning discrepancies' between numbers committed and numbers disbursed and time lags between completion of country strategy papers and implementation. The author has commented on the lack of political ownership of TRTA programmes of support in host developing countries and lack of transparency in the way projects are selected; instead, TRTA tends to reflect the interests of the agencies providing the support. They have argued that TRTA is incorrectly based on diagnostic trade studies, notably the Integrated Framework. In common with other analysts, a lack

of qualitative and descriptive analytical information on the results of TRTA actions has been noted.

Saner and Paez (2006) have discerned major shortcomings in their critical assessment that is largely focused on the working of the Integrated Framework launched in October 1997 as a coordinated response to the growing complexity of Least Developed Countries' (LDCs') trade-related problems. Six multilateral institutions, IMF, ITC, UNCTAD, UNDP, World Bank and the WTO, have pooled resources to deliver enhanced benefits to LDCs within the multilateral trading system. The implementation of the IF comprises three broad stages: first; an initial request to participate and preparatory activity; second, the elaboration of a Diagnostic Trade Integration Study (DTIS); and finally, the translation of the diagnostic study's findings into the elaboration and validation of an action plan. To date, 40 LDCs are in different stages of the IF process. In 2005, the decision was taken at a Development Committee meeting of the World Bank and IMF to enhance the working of the Integrated Framework. The fundamental development issues for the IF is to mainstream trade into development and poverty reduction in LDCs and in so doing create conditions to ensure that increased trade benefits the poor.

Saner and Paez found that there is a budgetary constraint that has affected the speed and comprehensiveness of implementation of TRTA via the IF. Second, it is very difficult to mobilize additional resources for capacity building and far less had been disbursed than actually pledged. The third concern relates to conditionality, including the requirement for LDCs to complete a DTIS. Although this seems necessary, in practice the process is lengthy and cumbersome. Various stakeholders, including donor agencies and governments need to approve and special capacities are required of LDCs just to qualify for TRTA. The fourth problem is the IF's limited impact and comprehensiveness when compared to its original purpose and objectives. Tellingly, only 14 out of 50 recognized LDCs have received aid under the second round of the IF. The conclusion arrived at by Saner and Paez is either that the objectives of the IF are too ambitious or that the ability of LDCs to respond with more enabling trade environments has been overestimated by the IF institutions (2006: 476).

The critical views considered above either treat the aid business as a flawed global development system or consider the efficiency and effectiveness of the TRTA aid mechanisms themselves. Both approaches are informative, but do not go far enough. A third approach based on institutional analysis may be discerned. An example of this approach has been provided by Stevens (2007), who has described EU 'aid for trade' as institutionally incoherent for reasons that include the following: three different policies (Everything But Arms, Most Favoured Nation and General System of Preferences+) exist for different developing countries; there is some degree of overlap between two Directorates concerned with aid for trade, namely Europaid and DGTrade; and the 26 different decision making centres in the EU create problems in negotiations and policy making. For example, the Trade and Development Cooperation Agreement with South Africa in 2000 has yet to be finally agreed due to some EU member states' refusal to accept certain provisions. In the case of a number of trade-related programmes in the ACP, the ACP secretariat in Brussels comprises another element of the institutional

decision making architecture. Further, member states may provide their own bilateral aid for trade.

Stiglitz and Charlton (2005) question the actual targeting and prioritization of intervention. They argue that “easing supply constraints requires a broader interpretation of the responsibilities covered by technical assistance and more than bolstering public institutions. While public sector capacity building is an important objective, it is not a substitute for programs to enhance the capacity of the private sector to develop into new markets” (2005: 209) Key focal points for TRTA could be export finance, access to credit and transport infrastructure. Notwithstanding any emerging consensus on the TRTA continuing doubts exist about excessive bureaucracy, budgetary constraints, unfair donor conditionalities and disbursement-procedural problems. The targeting of TRTA on the ‘supply side, includes the complementary behind-the-border institutional and social structures that not only facilitate trade and economic convergence, but also drive sustainable growth. If it is going to succeed, according to these writers, funds and human resources need to be mobilized swiftly. The crucial assumption seems to be that LDCs have the means and capacities to articulate their needs with strict demand-driven implementation approach. This is not the case in all cases, especially a significant number of poor countries falling into the LDC category.

The Integrated Framework: a sound basis for institution building?

An evaluation of the revamped IF in November 2003 noted the fundamental soundness of the approach, but specified that fine-tuning would be necessary to move to a robust implementation phase. The evaluation report distinguished between micro and macro fine-tuning issues. In macro terms, it is argued, trade will only benefit the poor in an LDC, if governance provides for political inclusiveness and greater social development. In micro-terms, the evaluators called for a pro-poor policy environment and an integration of trade-related issues into Poverty Reduction Strategy Papers (PRSP) early in the introduction of an IF to an LDC. The final evaluation issue related to mainstreaming of trade and development with concerns being raised by the participatory environment in some LDCs, which need to be strengthened.

Prowse (2005) contends that despite the value of mainstreaming trade into national development strategies and Poverty Strategy Reduction Strategy Papers (PRSPs), the IF’s mandate remains largely unfulfilled. Current levels of assistance aimed at helping developing countries integrate into the global trading system are inadequate and require additional support to build sustainable capacity would help countries implement multiyear programmes of policy reform, trade related-activities, and investment, including private sector investment in the context of the PSRP. A strengthened Integrated Framework developed within the context of countries’ PRSPs would provide a clear framework on adjustment costs, trade facilitation needs, trade-related infrastructure investment, and institutional reform programmes that would help eliminate bottlenecks and expand trade.” (2005: 259) The basis of Prowse’s ‘aid for trade’ model is an improved IF that aims to bolster in-country institutional capacity, but is not only confined to the relevant Government ministries dealing with trade-related issues. Her

implementation model effectively contextualises ‘aid for trade’ in a broader context of policy reform, including industrial policy and development strategy as put forward in PRSPs. A rigorous needs identification process is a necessary pre-requirement for an effective demand-driven donor ‘aid for trade’ agenda. A DTIS and/or needs analysis, provided it has a political ownership, therefore is *a priori* the base for determining the right mix of TRTA projects and activities. The important issues concern whether or not the main needs in a country’s institutional trade capacity have been correctly identified as indicated by both the official country ownership and the follow up on the key recommendations by donors.

Table 2. Trade-Related Assistance by the European Commission, by category (€ million)

	2001	2002	2003	2004	Total 2001-2004	2005
Trade Policy and Regulations	270.7	259.7	363.1	229.5	1122.4	355.0
Trade Mainstreaming in PRSPs/Development Plans	0.0	8.6	22.7	22.6	53.9	86.2
Technical and Sanitary Standards	83.3	14.5	48.7	17.8	164.3	53.2
Trade Facilitation	60.0	59.1	179.4	117.7	416.2	21.5
Regional Trade Agreements	56.4	122.5	92.8	42.7	314.4	182.5
Multilateral Trade Negotiations	71.0	54.4	8.6	28.3	162.3	10.0
Trade Education and Training	0.0	0.0	10.9	0.4	11.3	1.6
Trade and Development	555.1	429.1	526.1	711.1	2221.4	349.9
Business Support Services and Institutions	296.4	231.9	205.1	180.6	914.0	98.6
Banking and Financial Services	157.5	122.5	135.4	134.8	552.7	125.0
Trade Promotion and Market Development	59.2	48.3	47.8	31.6	186.9	0.0
- Agriculture						
- Fishing	32.3	0.0	19.0	3.6	54.9	0.0
- Mineral Resources and Forestry	3.0	0.0	0.0	1.0	4.0	0.0
- Industry	0.0	0.0	49.4	103.5	152.9	88.9
- Tourism	6.0	8.9	0.4	0.0	15.3	2.5
- Services	0.7	15.0	8.0	31.0	54.7	0.0
- General/Multisector	0.0	0.0	61.0	225.0	286.0	34.9
Total above Category 1 and 2	825.8	688.2	889.2	940.6	3343.8	704.9
Trade Related Infrastructure	1142	1653	1137	1414		

Source: WTO data base

On the surface, EU TRTA is committed to ‘Trade and Development’ to a greater extent than ‘Trade Policy and Regulations.’ All ACP programmes such as ProInvest, Bizclim and other sectoral projects are aimed at strengthening agriculture, industry and business in ACP countries. These horizontal all ACP programmes are amongst the most ambitious TRTA programmes and worth about € 2bn. Specific trade-related programmes are summarised in the table below.

Table 3. All ACP horizontal programmes

Project	Purpose	Amount
ProInvest	The objective is to promote investment and technology flows to enterprises operating within key sectors in the ACP States. This will be achieved through a two dimensional approach: to support intermediary organisations and professional associations and to develop inter-enterprise partnerships.	€110 m
EU – ACP EPA support	The purpose is to ensure that the ACP States are well prepared to conduct the negotiations on EPAs. The Programme is targeted to ACP governments, ACP regional economic groupings, regional organizations, the private sector and civil society organizations.	€20 m
Trade.com (incl. hubs and spokes)	Provides trade-related technical assistance to ACP countries. This falls under of 3 components: trade policy formulation, assistance in the preparation and conduct of EPA negotiations and assistance in the implementation of the international legal framework (WTO).	€50 m
WTO MTS integration	Provides TRTA to ACP States, regions and non state actors. The priority areas of support are: multilateral Negotiations, implementation of WTO Agreements and accession to the WTO.	€12 m
BizClim	Aims at enhancing the business climate in ACP countries; it seeks to facilitate state-owned enterprise reform, public-private partnerships, financial sector development as well as supporting macroeconomic stability through its activities and the support provided by the donor community.	€20 m

The all ACP projects are intended to be demand-driven. Programme Management Units (PMUs) have to guide and steer requests into well-designed projects in accordance with the overarching project purpose and objectives. The experience thus far suggests that the demand-driven approach is principled and correct, but in practice many of the weaker ACP countries lack the capacity to articulate the demand. Weak institutions, a lack of qualified staff, inadequate trade policy and understanding of real trade interests are all institutional constraints that demand-driven aid providers have had to find ways of addressing. Project staff members conduct promotional campaigns, but hands-on assistance is frequently required in formulating requests. In contrast, stronger ACP countries have fewer problems and are able to take advantage of the TRTA opportunities that exist. Without well-balanced promotional campaigns and proactive assistance to more disadvantaged countries, a strict demand-driven approach arguably may contribute to trade diversion. In theory, the DTIS should provide the guiding contextual framework for projects, but meeting expenditure targets and reacting to immediate needs would appear to be the main drivers.

All ACP projects have complex governance and reporting structures. Project Management Units (PMUs) may report to the ACP secretariat as well as both Euroaid, DG Trade and Steering Committees that include representatives of regional integration organizations in complex principal-agent structural arrangements. Steering Committees approve work programmes and give overall direction to activities biannually. Managing conflicting interests and agendas and creating institutional coherency requires considerable skill on the part of the TRTA managers, including not only trade-related technical competence, but also political, interpersonal and socio-cultural acumen and knowledge. Specialist knowledge of EDF procurement and disbursement procedures is a further necessary requirement. In certain cases, procedures can be constraints: for example, an all ACP project with a six year time span is managed on the basis of annual estimates and approved work programmes, but timely interventions of urgent need are contingent on a fast approval cycle and disbursement of funds. If disbursements are slow, then the relative flexibility of funding instruments can be negated. The experience of this is mixed, but evidence suggests that the EUACPEPA project, for example, has been quite successful in being able to provide prompt support to ACP countries efforts to prepare for EPA negotiations. In addition, PMUs have to carefully steward available funds within the constraints imposed by the tight calendar of an annual work programme. In the current EU-ACP EPA negotiations needs are frequently short term and urgent; data and analysis are needed to inform evidence-based negotiating positions.

Increasing evidence, based on recent constructive collaboration between the different all ACP programmes, suggests that there is much to be gained from improved coordination between different EU projects and instruments. Programmes such as Pro-Invest are well-suited to longer term behind the border supply side development while the Trade.com Facility provides short term technical assistance that can kick start promising local initiatives and dovetail with resources provided by Delegations and other country-specific programmes. Arguably, effective coordination can counteract programming, disbursement and timing difficulties. This viewpoint is buttressed by a need for balance in supporting urgent short term needs and sustaining long term capacity building. The available evidence (table 2) shows that limited funds have been provided to support trade-related education and training. Bachelors and Masters programmes as well as short term issue-specific training courses can ensure a supply of well-qualified trade professionals who are needed for under-resourced and under-skilled trade ministries. As a case in point, the 'hubs and spokes' programme – a component of the Trade.com programme – has recruited a number of graduates from Trade Masters programmes in the Caribbean region and South Africa. Long term TRTA in selected key universities across regions can expand the critical mass of trade professionals in the ACP.

Education is more focused on trade-related knowledge, whereas training is more concerned with shorter term technical knowledge, such as on SPS and rules of origin; and skills, such as the ability to negotiate effectively. Both are fundamental elements of learning or 'sustainable skills and knowledge transfer' that should be an intended and actual outcome in all capacity building projects and interventions. Training includes on-the-job training, coaching and mentoring that need to be incorporated as learning outcomes in project designs. The question is perhaps not whether there should be more

trade-related education and training projects, but whether education and training should be built into all projects and technical assistance assignments. The duration of learning-oriented technical assistance would naturally vary from country to country as developing countries, even within the LDC categorization, are not homogeneous. Weak educational institutions, for example, may require a more sustained period of technical assistance, including institutional twinning arrangements and the establishment of collaborative research networks.

In assessing EU-supported TRTA te Velde (2006), described the conflict of interests that underlies the EU's technical and financial assistance to their EPA negotiation counterparts. The emerging evidence suggests that there is some lack of trust towards trade experts who are also EU Nationals advising ACP trade negotiators, although this is by no means universal. In some cases, ACP Governments have specifically requested that technical assistance should be delivered by local or ACP experts rather than EU consultants. Given the dilemmas posed by a perceived conflict of interests, this would be natural development. However, more ACP trade experts and professionals are certainly needed to meet the needs for specialized advice on trade policy, trade law, economic analysis and negotiations. Effective universities, research and training organizations are vital institutional settings for building capacity in trade.

Conclusions

Institutional coherency is lacking

Improved institutional coherency is a need on both sides of the development divide. A finely tuned approach based on systemic institutional capacity building will ensure that TRTA is not *ad hoc*, piecemeal or entirely 'driven by numbers' as is often the case. Institutional reform on the side of the EU is more complex given the EU's institutional structure. There is a need, however, to build on the increasingly constructive collaboration between 'all ACP' TRTA programmes and EU Delegations. As ever, donor coordination, harmonization and correct priority identification are essential.

Efficiency and effectiveness in design and implementation are equally important

EU supported TRTA is "doing many of the right things", particularly concerning trade development, even if, in terms of recurring criticism in the literature on slow bureaucratic procedures and disbursement, it may not be "doing all things right." The ongoing need is to ensure that TRTA and aid for trade reaches beneficiaries in a timely and efficient manner.

The IF can be improved, but remains the vital institution building coordination mechanism

The main weakness in the IF is that donor activities are not coordinated at an early stage within the needs matrix. Criticism of the IF focuses largely on the failure to achieve its original objectives and procedural-administrative problems, not on the fundamental

soundness of the concept. In the context of institutional incoherency and a burgeoning of donor TRTA and aid for trade initiatives, efficiently-coordinated, effective and high quality DTIS studies should be providing the 'institutional glue'. There are few other realistic alternatives.

Creating learning is central to all TRTA

Providers of TRTA have to ensure that learning takes place in such a way as to promote institutional development and change. Learning is not only formal training and education, but also includes coaching, mentoring, on-the-job training, e-learning, action learning and informal education. Support to well-designed short and long educational and training programmes as well as to research organizations in ACP universities and other educational organizations, can help to create a platform for building sustainable institutional capacity. This will of course over time diminish dependency on advisors and organizations from developed countries.

A competency based approach is required for TRTA practitioners

On the side of multilateral donors, project cycle management (PCM) has tended to emphasize quantitative outputs such as 'numbers of persons' trained.' On one level, this encourages results-orientated implementation, but deeper consideration should be given to the lasting 'sustainable' results. It is also imperative that designers and providers – contractors and consultants – of TRTA do not only emphasize the learning factors as well as the technical inputs. The suite of competencies required of TRTA practitioners should not be limited to trade-related categories. Consultants and technical experts have to be 'engineers of the learning environment' with systems thinking skills and an ability to contextualize their inputs.

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