

## Evaluating Coordination of Trade Capacity Building Assistance in Third Countries

*'TCB should be systematically integrated into the partner's poverty reduction strategy and should be treated as a priority multi-sectoral issue in any policy discussions on economic growth and poverty reduction as well as in any strategies elaborated on the basis of these discussions.'*

This is the key message from Aide a la Décision Economique (ADE), the team evaluating the Coordination of Trade Capacity Building within the EU.

The European Union is currently considering the most appropriate way to support developing countries in their integration into the world economy, through trade rather than aid. Within this framework the EU is devising numerous trade capacity and adjustment programmes. This evaluation tries to anchor this reflection into the broader development debate, in particular regarding the need and efficiency of trade capacity building initiatives, primarily at the EU level, but also in relation to multilateral, plurilateral, regional and national initiatives. The study provides valuable insights to development policy makers in the EC and relevant institutions of the Member States, as well as in partner countries.

Trade Capacity Building (TCB) includes two broad areas of assistance: trade policy and regulations; and trade development. The evaluation, conducted under EC auspices and in which also DFID, France, Belgium and the Netherlands were involved, assessed the extent to which the European Commission and the Member States have achieved effective coordination and complementarity of TCB initiatives.

The evaluation focuses on Africa, Caribbean and Pacific (ACP) countries and on the Doha agenda period from 2001 to the present. The evaluation's scope for assessing coordination is not limited to the specific relations between the Commission and the Member States; it also encompasses coordination between EU donors (the Commission and the MS) and the partner countries or regions, where possible

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### IN PRACTICE COORDINATION HAS NOT LED TO THE EXPECTED BENEFITS OR RESULTS

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taking into account aspects of ownership, harmonisation and alignment. The study's methodological approach used documentary analysis, semi-structured interviews, field visits to Ethiopia and Madagascar, and a questionnaire. These methods were used for collecting the evidence which provided the basis for its analysis, findings and recommendations.

### Main Findings Indicate Room for Improvement

The evaluation team concludes that while internal coordination of services dealing with trade-related issues in the Member States and Commission have improved, awareness of TCB issues and the capacity to address their complexity remain limited. The evaluators acknowledge the considerable effort which has been made to establish coordination mechanisms at various levels (among the agencies and services of the same EU donor; between the Commission and the Member States at HQ level; in-country between the Commission and Member States). While the design of the mechanisms is adequate, in practice coordination has not led to the expected benefits or results. It has led to some improvements in information sharing and avoidance of duplication but awareness of TCB issues and the capacity to address their complexity remain limited in the absence of a preliminary consensus on coordination beyond information sharing.

Decisions on how to address TCB remain primarily in line with priorities established in the Member States or Commission Headquarters. In the evaluators' judgement, this results in diverging views between the Commission and Member States, makes coordination difficult and produces negligible gains in terms of transfer of information, sharing of experience, development of common practices and procedures, and, distribution of responsibilities.

## Key Recommendations and Suggested Ways Forward

In light of the study's findings, the evaluators recommend that the following steps are taken by the Commission and the Member States of the European Union in order to improve the coordination, complementarity and effectiveness of TCB efforts:

1. Spearhead efforts to **increase awareness of TCB** as a multi-sectoral issue in their own development and trade agencies;
2. **Systematically integrate TCB** into their institutions' guidelines for country strategies, programming and monitoring and evaluation;
3. Pursue existing efforts to **address complex trade and development issues** and **disseminate the results** of their work and conclusions more widely, including to other donors;
4. **Increase coordination** in the preparation of programming, monitoring and evaluation guidelines shared by the MS and the Commission;
5. **Increase lobbying** for the integration of TCB in PRSPs;
6. **Ensure that coordination fora for TCB exist** in-country, in the regions where significant TCB takes place and in Brussels. Member states and the Commission should individually and jointly make efforts to **strengthen the effectiveness of the Integrated Framework for Trade Related Assistance (global initiative for Less Developed Countries)** and increase its resources.
7. **Develop the Joint Trade and Development Experts Group** into the focal point for **EU information sharing and coordination** on multilateral initiatives on trade & development, and draw on its expertise for **preparing EU positions** in multilateral meetings of the Integrated Framework, JITAP, EPA negotiations and other trade & development related fora.

The Evaluation Team further suggests a number of practical measures to facilitate the implementation of these recommendations:

- In EC Delegations and Member States' country or regional Representations, responsibilities should be re-organised to facilitate more systematic exchanges of views, information and experience between all sections/units/parties;
- In every trade agency, department or service a person or group should keep development issues in view; similarly in every development agency, department or service a person or a group should keep trade issues in view, and these persons or groups should liaise with each other.

Regarding the question of the applicability of the above to non-ACP contexts, the report underlines that the above conclusions and recommendations are derived from the analysis which was conducted largely in an ACP context. The evaluators further indicate that in view of the rather generic nature of the coordination processes, several conclusions and resulting recommendations may apply to a broader context. They stress however, that the extension of the conclusions and recommendations beyond the scope of the evaluation is left to the judgement of the reader.

The evaluation team stresses that building the trade capacity of a partner country or region, requires a systemic, coherent approach to coordination - an approach that addresses the multi-sectoral dimensions of trade policy and development in the context of poverty reduction strategies, national development plans and donor plans/ programming and monitoring and evaluation. This systemic dimension of Trade Capacity Building requires its articulation on the goals of the poverty reduction strategy and its mainstreaming in national development plans. The frequent absence of such a focus and successful mainstreaming practices has limited the contribution of TCB programmes to comprehensive capacity-building for trade in partner countries.

The evaluation team believes that the Integrated Framework (IF) for Trade Related Capacity Building for LDCs has the potential to achieve this systemic approach to TCB coordination. However they caution that in order for this

potential to be realised, the framework must be enhanced so that it strengthens both country ownership and donor commitment. It should be noted that the Integrated Framework has not met the expectations of donors and partners: in most cases its first step, the Diagnostic Trade Integration Study, albeit a valuable output, has not been the starting point for funding and implementing strategic TCB interventions.

Finally, the evaluators also observed a general awareness that EU internal policies and regulations have a major influence on the trade of ACP countries. However, in the partner countries there is an absence of information on these policies and on their consequences. Most TCB-related studies and seminars which are aimed at the partner countries do not focus on EU-specific rules and policies, but rather focus on TCB processes itself or on the negotiation processes leading to Economic Partnership Agreements.

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### 3Cs Initiative

This initiative was launched by the Heads of Evaluation of the EU Member States and the European Commission.

### Comments, suggestions

Comments, suggestions and requests should be addressed to Niels Keijzer, European Centre for Development Policy Management (ECDPM).  
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