Sida's Portfolio within Trade-Related Development Cooperation

As of December 2007, Sida had a portfolio of SEK 948 million (expressed as the total committed amount) supporting trade, distributed over 101 projects. During 2007, Sida disbursed SEK 279 million to national, regional and global programmes, which is an increase of SEK 81 million compared with 2006. Sida's trade-related assistance is divided into two main areas: trade policy and regulations; and trade development.[1]

Trade policy and regulations (74% of the disbursements in 2007) support the recipient's effective participation in multilateral trade negotiations, analysis and implementation of multilateral trade agreements, trade-related legislation and regulatory reforms, trade facilitation (including tariff structures and customs regimes) and support to regional trade arrangements. Under this category, Sida's trade support targeted the following sub-areas in 2007:

1. *Trade negotiation*[2] – support to aid recipients' effective participation in regional and multilateral trade negotiations, including training of negotiators; assessing the impacts of negotiations; accession to the World Trade Organization (WTO); and other regional and multilateral trade-related organisations.
2. *Technical barriers to trade (TBT)* – support to institutional capacity building to improve the understanding of rights and obligations regarding the use of technical regulations, standards, and conformity assessment procedures.
3. *Agriculture and sanitary and phytosanitary measures (SPS)*[3] – covers the areas of food safety, and animal and plant health. This sub-area aims at institutional capacity building and the establishment of a multilateral framework of rules and disciplines to guide the development, and the adoption and enforcement of sanitary and phytosanitary measures in order to minimise their negative effects on trade. This sub-area also includes support for the implementation of the WTO Agreement on Agriculture, as well as negotiation on liberalisation in agricultural markets and impact analysis of such liberalisation.
4. *Trade education/training* – support for human resources development in trade that cannot be included in any of the other sub-sectors. This also includes university programmes in trade.
5. *Trade-related intellectual property rights (TRIPS)* – support for the negotiation and preparation of laws and regulations dealing with the protection and enforcement of copy-

Highlights 2008

During 2008 the trade portfolio is expected to further increase in accordance with the *Plan for Sida's trade-related development cooperation* and government priorities. Sida will increase the bilateral and regional activities to balance the substantial global activities already in place. Sub-Saharan Africa will be the geographical focus for Sida's trade support.

The prioritised areas of work in 2008 are sanitary and phytosanitary measures (SPS), technical barriers to trade (TBT), and trade facilitation – especially customs procedures. In addition, the connection between trade and climate is a new high priority for Sida's trade-related development cooperation in 2008 and the possibilities for using trade support interventions in order to attain the broader climate goals will be looked into.

During 2008 aid under the umbrellas of the *Economic Partnership Agreements* process (EPAs) and the *Aid for Trade* initiative are expected to move from policy level to the concrete implementation of trade-related support for ACP states and other countries. The aim is to assist partner countries both to take advantage of the outcome of trade negotiations and also to handle adjustment processes. Sida will follow both processes closely and continue to work towards an increased portfolio that reflects Swedish undertakings in the joint *EU Strategy on Aid for Trade* and the principles of aid effectiveness.

[1] Sida's definition of trade-related assistance follows the joint WTO/OECD TCB database categories *trade policy and regulation* and *trade development*. Support for activities within the trade development category overlaps to some extent with those accounted for in Sida's Private Sector Development (PSD) portfolio, since the interventions often have both a specific measure related to international trade and a measure with a clear PSD focus.

[2] The sub-area "trade negotiation" includes the OECD/DAC categories *33133 Multilateral trade negotiations* and *33148 Training in trade negotiation techniques.*

[3] The sub-area "agriculture and SPS" includes the OECD/DAC categories *33113 Sanitary and phytosanitary measures (SPS)* and *33144 Agriculture.*

right, trademarks, patents, industrial design, and trade secrets; the prevention of their abuse; and the strengthening of intellectual property offices.

6. *Trade facilitation* – support for the simplification and harmonisation of international trade procedures (for example, customs or licensing procedures, transport formalities, payments, insurance and other financial requirements) and support for customs departments and tariff reforms.
7. *Trade and environment* – support for capacity building on trade and environment issues, for example by increasing national policy coherence between trade and environment agencies.
8. *Other trade policy and regulations* – support that has no clear association with the above groups, but rather targets many of the sub-areas above in a wide-reaching way. Notable support has been provided to the global programmes the *World Bank Multi Donor Trust Fund* and the *Integrated Framework*.

Trade development[4] *(26% of the disbursements in 2007)* covers business development and activities aimed at improving the business climate, access to trade finance, trade promotion, and market development in the productive and services sectors, including at the institutional and enterprise level. Trade development is defined as trade support if the activity contains a specific measure related to international trade. The majority of Sida's trade development support was dedicated to *business support services and institutions* covering support to trade and business associations; chambers of commerce; legal and regulatory reform aimed at improving the business and investment climate; private sector institution capacity building and advice; and trade information.

Chart 2 below shows the geographical distribution of total disbursements in 2007. The majority of Sida's trade support was channelled via global programmes (70%). Turning to regional and bilateral interventions, most support was directed to Africa (21%), followed by Asia (8%). Europe and Latin America received only a minor portion of Sida's trade support in 2007 (1%).

[4] Sida's support to trade development in 2007 targeted the following three OECD/DAC categories: *25010 Business support services and institutions; 25012 Private-public partnerships; 25021 Other trade support.*

Chart 1: The percentage of the disbursed amount in 2007 (SEK 279 million) per main area within trade-related development cooperation

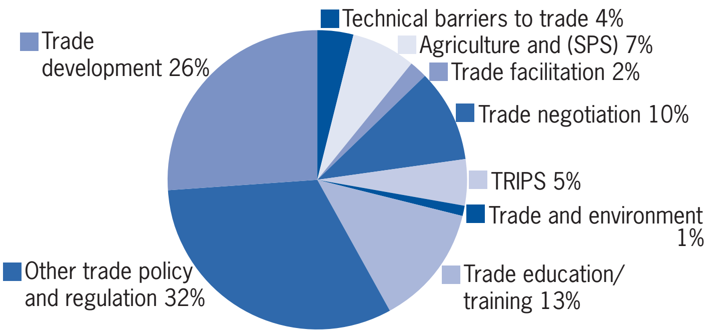
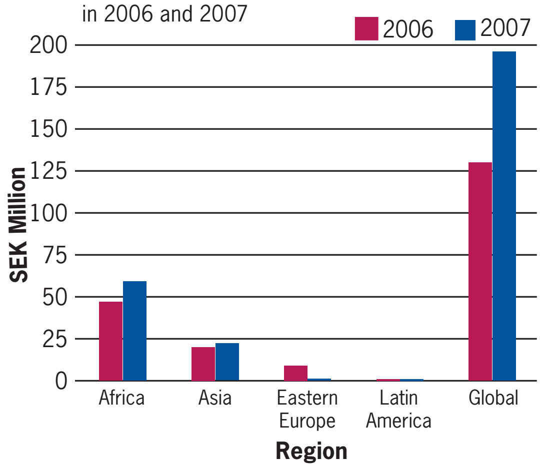


Chart 2: Geographical distribution of total disbursements in 2006 and 2007



The Trade Team at The Department of Infrastructure and Economic Cooperation/Market

Ewa Hagwall, Team Coordinator

Sonia Albarello, Advisor
Trade facilitation
Southern and Central America, Zambia

Peter Cederblad, Advisor
SPS/TBT, trade development, trade and gender
Ethiopia, Bosnia and Herzegovina, F.Y.R. Macedonia, Mozambique, West Bank and Gaza

Margareta Davidson-Abdelli, Advisor
SPS/TBT, trade and climate
Middle East and North Africa

Göran Edehorn, Advisor
Trade development, trade promotion
Ukraine

Jenny Lundh, Administrative Programme Officer
Statistics, administrative issues

Elisabeth Löfvander, Advisor
Trade education/training, trade and environment/climate
Moldova, West Africa

Erik Ringborg, Advisor
Aid for Trade, Enhanced Integrated Framework
Kenya, Tanzania, Uganda, Vietnam

Tina Trollås, Advisor
Economic Partnership Agreements (EPAs), World Bank
Regional Africa

For more information about trade, the project portfolio and contacts in Sida's partner countries, please write to: ewa.hagwall@sida.se or visit us at www.sida.se

Art. no.: SIDA4870en