

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
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REGIONAL

**SUPPORTING LAC COUNTRIES IN DEFINING AND
IMPLEMENTING THEIR AID FOR TRADE STRATEGIES**

(RG-T1621)

PLAN OF OPERATIONS

This document was prepared by Carolyn Robert (INT/INT), Team Leader; Kea Wollrad (INT/INT); Sara Marzal (INT/INT); Diego Buchara (LEG/SGO); and Hyun Jung Lee (LEG/SGO).

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BASIC SOCIOECONOMIC DATA

For basic socioeconomic data, including public debt information, please refer to the following address:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

INFORMATION AVAILABLE IN THE FILES OF INT/INT

PREPARATION:

EXECUTION:

ABBREVIATIONS

AFT	Aid for Trade
CRS	Creditor-Reporting-System from the Organization for Economic Cooperation and Development
IDB	Inter-American Development Bank
INT	Integration and Trade Sector
LAC	Latin America and the Caribbean
MTP	Trade and Poverty Trust Fund
OECD/DAC	Organization for Economic Cooperation and Development with the Development Assistance Committee
ODA	Official Development Assistance
RDB	Regional Development Bank
WTO	World Trade Organization

I. EXECUTIVE SUMMARY

Beneficiary:	IDB borrowing member countries.		
Team Leader /Members:	This document was prepared by Carolyn Robert (INT/INT), Team Leader; Kea Wollrad (INT/INT); Sara Marzal (INT/INT); Diego Buchara (LEG/SGO); and Hyun Jung Lee (LEG/SGO).		
Executing Agency:	Inter-American Development Bank (IDB)		
Target Beneficiaries:	Primarily the governments of the borrowing member countries of the IDB.		
Source of Funding:	IDB (Markets and Governance for Poverty Reduction Trust Fund - KMG):	US\$	600,000
	Total:	US\$	600,000
Objectives:	The overall objective of this project is to support LAC countries to benefit from liberalized trade and increased market access by addressing existing supply side binding constraints. More specifically, this project aims to enhance monitoring implementation of the Aid for Trade initiative by supporting countries to advance and implement national and regional Aid for Trade strategies.		
Execution Timetable:	Execution Period:	09	months
	Disbursement Period:	12	months
Special Contractual Conditions:	N/A.		
Exceptions to Bank Policies and Procedures:	None.		
Environmental and Social review:	The Profile of this operation was cleared by the ESR Secretariat on August 29, 2008; no further action is required in the ESR process.		
Coordination with other Official Development Finance Institutions:	This project is undertaken under the framework of the WTO's AFT Initiative, and, therefore, its scope and content takes into account inter-institutional cooperation activities currently undertaken by the Bank with other agencies such as the WTO, OECD, World Bank, other RDBs and regional organizations.		

II. BACKGROUND AND JUSTIFICATION

A. The WTO Aid for Trade Initiative

- 2.1 The WTO's Hong Kong Ministerial Declaration of 2005 created an ambitious new mandate on Aid for Trade (AFT) aimed at helping developing countries, in particular the least developed, to build the supply-side capacity and infrastructure

needed to help them take advantage of the trade opening process and to connect with the global economy.

- 2.2 In this context, a Task Force¹ was created to examine ways in which AFT could be made operational and may contribute to the development dimension of the Doha Development Agenda. International organizations and Regional Development Banks were invited to provide advice on the formulation of relevant proposals. In May 2006, the Integration and Regional Programs Department prepared a document on the IDB's trade-related assistance to LAC, and proposals on how to strengthen aid for trade at both the regional and global levels. At the request of the WTO Director General, an Advisory group was created. It is composed of international organizations, regional development banks and bilateral donors. The IDB plays an active role in this group.
- 2.3 The AFT initiative covers trade-related capacity building aimed at helping countries formulate, negotiate and implement trade policy and related agreements; as well as facilitate trade development, including export promotion and trade finance. AFT also covers support for strengthening trade-related infrastructure and other supply-side capacities (for example, in the productive sector) so as to maximize the benefits from freer trade and trade-related adjustment programs (for example, labor re-training programs and social safety nets).

B. The AFT Initiative in Latin America and the Caribbean

- 2.4 Most of the Latin-America and Caribbean (LAC) countries are highly trade dependent and have economic strategies that hinge increasingly on export growth. However, the costs of trade are often higher in the LAC region compared with many other developing countries because of the gaps in physical infrastructure, institutional weaknesses, and inefficient regulatory structures. These costs reduce the region's capacity to compete in global markets, and diminish the gains from trade, investment and technological innovation.
- 2.5 Yet, the LAC region is currently not receiving a significant proportion of trade-related Official Development Assistance (ODA) when compared with other regions such as Asia or Africa. During the first Aid for Trade Regional Review held in Lima in September 2007 and the first *Aid for Trade Global Review* held in Geneva in November 2007, LAC Finance and Trade Ministers and senior officials expressed concerns about the insufficient attention devoted by donors to trade-related assistance to the region and invoked the creation of new financing mechanisms.
- 2.6 The Lima conference, for the first time, brought together finance and trade ministers, senior donor representatives, regional institutions and key private-sector actors of the Region to focus on the trade-related challenges of LAC, and

¹ Constituted by Barbados, Brazil, Canada, Colombia, Japan, United States, EU, China, India, Thailand, Mauritius, Benin and Zambia. At present, the latter three each respectively act as coordinators of the African, Caribbean and Pacific (ACP), African, and Least-Developed Country (LDC) groups.

set out priorities for future action. It highlighted that trade; investment and global integration have become increasingly priorities for many countries in the region, particularly those implementing ambitious trade agreements with large industrialized trading partners. In this sense, over the course of the meeting there was a clear emphasis on the need for more – and more effective – financing, including a better leveraging of development assistance and multilateral lending. It was recognized that financial assistance, strategically invested, could provide an important catalyst for export growth and competitiveness.

2.7 More specifically, as a result of discussions held at the Lima meeting, the IDB - jointly with the WTO and the OECD - identified four areas of consensus which emerged in relation to the modalities of the delivery of AFT in the region:

- i) AFT is a priority in LAC development agendas and the IDB has a comparative advantage in mobilizing and channeling donor's resources into the region to meet unsatisfied demand for trade-related assistance;
- ii) private sector development is a key strategic goal of the AFT initiative in the region given that some LAC economies are small and cannot promote the development of a vibrant private sector without also facilitating their integration into the global economy;
- iii) in order to compete in the global marketplace there is a need to tap into economies of scale and regional synergies, since priorities are often regional in nature, so new ways should be found to finance and implement projects regionally.
- iv) AFT should be delivered according to the principles of the Paris Declaration on Aid Effectiveness.

C. Project Rationale

2.8 In line with, both, the goals set forth by the WTO AFT 2008 Road Map, as well as the conclusions reached in the LAC regional conference celebrated in Lima, this project represents a step further in the process of supporting LAC countries in mainstreaming international trade within their development agendas and in gaining ownership over the AFT initiative. More specifically, while the work developed by the IDB during the LAC regional review was essentially focused on building awareness of the crucial importance of trade policies and AFT strategies, this project aims to go one step further and shift the focus towards supporting the implementation and monitoring stages of those AFT policies that have already been adopted by the LAC countries, as well as promoting the adoption and development of more effective strategies in those countries who are still in the process of identifying their needs and priorities. AFT strategies are important not only to advance the countries' trade agenda but to ensure that new trade opportunities generate sustainable and socially inclusive growth.

D. Relation with Bank Regional and Sector Strategies

- 2.9 The project is consistent with the Bank's strategy on regional integration (GN-2245-1). In general terms, it is part of the IDB's support - through the Integration and Trade Sector (INT) - to help LAC countries integrate in the global economy and take advantage of the new trade opportunities that arise as a consequence of the market opening process. More specifically, the project responds to the countries' request for Bank support in the definition, execution and monitoring of national and sub-regional AFT strategies.
- 2.10 As per the specific countries and sub-regions selected for Component I (see page 5), the goals set forth therein are also in line with the Bank's strategy with Peru for 2007 - 2011 (GN-2472-2), which pursues "strengthening Peru's foothold in the global economy" by "expanding access to international markets".
- 2.11 Furthermore, the objectives of this project are also consistent with the objectives set forth in the Bank's strategy with Honduras for 2007-2010 (GN- 2475) to provide "support in the implementation of free trade agreements" and "make the most" of the new trade opportunities they have created with the goal of ensuring a "full participation of the majority in the global economy".
- 2.12 Finally, the project is also coherent with the goals established in the Regional Strategy for Support to the Caribbean Community for 2007 - 2010 (GN-2436), according to which the Bank will "help Caribbean countries transform their regional integration process into an effective instrument of global integration, competitiveness and economic growth".

E. Relation with the Markets and Governance for Poverty Reduction Trust Fund (KMG)

- 2.13 This project is well aligned with the objectives of the IDB - Trade and Poverty Trust Fund as it promotes an inclusive dialogue on trade, development and poverty reduction in the context of the AFT Initiative. More specifically, this project represents a further step in the IDB's efforts on supporting LAC countries in mainstreaming international trade within their development agendas and in gaining ownership over the AFT Initiative.

F. Coordination with Other Official Development Institutions

- 2.14 This project is undertaken under the framework of the WTO's AFT Initiative, and, therefore, it has been designed and will be developed in close coordination with the WTO and other entities that are actively participating in the initiative, such as the OECD, the World Bank and other RDBs.

III. PROJECT DESCRIPTION

G. Goal and Purpose

- 3.1 The overall objective of this project is to support LAC countries to benefit from liberalized trade and increased market access by addressing existing supply side constraints. With this objective, the project is expected to contribute to trade integration and the identification of policies that promote a more distributive impact of global market integration.
- 3.2 More specifically, this project aims to enhance monitoring implementation of the Aid for Trade initiative by supporting countries to advance and implement national and regional Aid for Trade strategies.

H. Components

- 3.3 This project will consist of four main components:

1. Component I: Definition and Implementation of AFT Strategies in Selected Countries and Sub-regions

- 3.4 The objective of this component is to showcase how national and sub-regional strategies on AFT can progress – and are progressing – and to create incentives for others to follow suit.
- 3.5 For this purpose, this component will finance a total of three overviews that will showcase how national and sub-regional actions plans and strategies can be prepared in countries and sub-regions of different levels of development, focusing on thematic areas (such as institutional change, private sector development, and trade-related infrastructure) to demonstrate a methodology that other countries in the region can follow. The goal of these overviews is to provide policy-oriented support to help such countries and sub-regions to: (i) assess and improve their national/sub-regional AFT strategies; (ii) identify binding constraints and key priorities; and (iii) define a roadmap for either the definition or the implementation of such strategies (including timetables, institutional mandates, and financial requirements).
- 3.6 The project will finance a total of three overviews: two national (Perú and Honduras) and one sub-regional (the Caribbean). The process of developing the overviews will involve all relevant stakeholders in the countries and sub-regions and will include close coordination among different actors such as government and private sector representatives, donors, international and regional organizations, etc.
- 3.7 The criteria used for the selection of these countries and sub-regions has been the following:

- a. they are eligible “first generation” review candidates, in the sense established by the WTO’s 2008 AFT Roadmap (e.g., having an AFT plan, coordinating structure, completed needs assessments, identified priorities, etc.). In this sense, Perú is considered to be an eligible “first generation” review candidate, since it has already adopted a comprehensive trade strategy and its challenge now is to adequately implement its strategy and monitor its results. At the sub-regional level, even though it has not yet adopted a defined AFT strategy, the Caribbean is also an eligible sub-region because, due to its recent negotiations with the European Union, it has already completed a needs assessment and has identified clear priorities (e.g., the implementation and compliance of their recently adopted Economic Partnership Agreements with the European Union, as well as the development of their services-export industry).
 - b. they have specifically requested the Bank’s support to help them design and adopt an AFT strategy. Such is the case of Honduras and also, at the sub-regional level, of the Caribbean countries, who have expressed interest in this initiative.
- 3.8 These two national, plus one sub-regional, overviews will form the basis for a total of three subsequent consensus-building workshops on AFT strategies, where the main findings of the papers will be presented, discussed and validated. Participants in the workshops will be high-level stakeholders from the government and private sector representatives.
- 3.9 Under the first component, the project will finance: (a) honoraria, travel and per diem of consultants who will prepare background papers and present them at the consensus-building workshops, (b) travel expenses (ticket and per diem) for the government and private sector representatives who will participate in the events; (c) honoraria and travel expenses (ticket and per diem) for three moderators; and (d) the logistical aspects of the three workshops.

2. Component II: Regional Forum on the Implementation of the Aid for Trade Initiative in LAC

- 3.10 In accordance with the objectives set forth in the WTO’s 2008 AFT Roadmap and in furtherance of the work done at the Lima meeting in 2007, the purpose of this component, is to celebrate a second regional review that will provide political guidance, momentum and the “big picture” on implementation and evaluation of AFT strategies.
- 3.11 To this goal, this component will finance a follow up to the Lima regional meeting, where the conclusions of the three national and sub-regional overviews mentioned above, as well as the understandings reached at the three consensus-building workshops described under Component I will be presented and discussed. More specifically, this second regional forum will be aimed at fostering dialogue among governments, donors and the private sector, and focus

in the specific challenges of the implementation stage of AFT strategies, the prioritization of needs and the movement towards shared solutions under the AFT initiative.

- 3.12 Under this second component, the project will cover: (a) travel expenses (ticket and per diem) for two high-level government officials from each LAC country; (b) honoraria and travel expenses (ticket and per diem) for four moderators and three *rapporteurs*; and (c) the logistical aspects for the regional meeting.

3. Component III: Monitoring Aid for Trade Flows

- 3.13 In line with the principles of the Paris Declaration on Aid Effectiveness, the AFT initiative requires effective monitoring and evaluation mechanisms. Three different levels of monitoring have been proposed: (i) assessing global flows, using the OECD/DAC² and CRS³ databases as the main tools to prepare a report on global Aid for Trade flows, including an assessment of global "gaps" and a forecast for future trends; (ii) donors reports: progress reports from bilateral agencies and multilateral organizations; and (iii) recipient country assessments (involving all key country-based stakeholders in governments and the private sector).
- 3.14 Even though much progress has been done at the global level by the OECD/WTO "AFT at a Glance" annual reports, these efforts do not properly assess the regional dimension of AFT flows. Thus, within the aforementioned three-level framework, this project will finance the preparation of a study that will explore options to enhance monitoring mechanisms of AFT flows at the regional level, including the development of databases and the identification of evaluation indicators to measure the effectiveness of these flows to the LAC region.
- 3.15 For this third component, the project will finance the honoraria of a consultant who will prepare the study.

4. Component IV: Proposal for the constitution of an "Aid for Trade LAC Support Network"

- 3.16 The objective of this component is to implement one of the recommendations of the Lima meeting which endorsed the constitution of an "Aid for Trade LAC support Network" to assist countries and sub-regions in mapping priorities and developing actions.
- 3.17 For this purpose, the project will finance the preparation of a proposal for the creation of such an AFT support network in the LAC region, including all relevant stakeholders, such as countries, regional and sub-regional institutions, lead donors, multilateral agencies and private sector representatives.

2 Database on Annual Aggregates

3 Database on Aid Activities

- 3.18 Moreover, the proposal will take into account and be consistent with the other AFT network initiatives currently undertaken at the global level.
- 3.19 For this fourth component, the project would finance the honoraria of the consultant hired to prepare the study.

I. Expected Results

- 3.20 The project is expected to generate the following results.
- a. Three studies and subsequent consensus-building workshops that will provide policy-oriented support to help countries and sub-regions in LAC to: (i) assess and improve their national/sub-regional AFT strategies; (ii) identify binding constraints and key priorities; and (iii) define a roadmap for either the definition or the implementation of such strategies (including timetables, institutional mandates, and financial requirements).
 - b. A regional forum with the participation of high-level government officials (Ministers of Trade and Finance), donors and the private sector that will focus on the specific challenges of the implementation stage of AFT strategies, the prioritization of needs and the movement towards shared solutions under the AFT initiative
 - c. A study that will explore options to enhance monitoring mechanisms of AFT flows at the regional level, including the development of databases and the identification of evaluation indicators to measure the effectiveness of these flows to the LAC region.
 - d. A proposal for the creation of an AFT support network in the LAC region to assist countries and sub-regions in mapping priorities and developing actions.

IV. BUDGET

A. Summary Cost Table

- 4.1 The total cost of the project and the Bank's contribution will be US\$600,000. A summary of the budget is shown below (see Annex II for the detailed budget).

Component	Amount (US\$)
Component 1: Definition and Implementation of AFT strategies	<u>209,484</u>
Component 2: Regional Forum	<u>287,266</u>
Component 3: Study on Monitoring AFT Flows	<u>32,182</u>
Component 4: Study on AFT Support Network	<u>32,182</u>
Contingencies	38,886
Total	600,000

B. Description, Composition and Sources of Funding

- 4.2 The Bank's contribution for this TC will be charged against the Markets and Governance for Poverty Reduction Trust Fund (KMG).

V. EXECUTING AGENCY AND MECHANISM

A. Executing Agency

- 5.1 The Bank through the Integration and Trade Sector (INT/INT) will be responsible for the execution of this project.
- 5.2 There are three reasons to support the role of the Bank as executing agency for this project. First, there is no other institution in the region or beyond that has both the mandate and the institutional capacity to execute this TC. Second, in view of the strategic importance of the topics, a Bank-executed project will ensure that the outputs will be of excellent quality and the workshops will be attended by high-level policy-makers. Third and most importantly, the project is part of the WTO-IDB partnership of aid-for-trade mobilization in Latin America. The Regional Review Meeting that both institutions organized in Lima (Peru) in September of 2007 to help Latin American policy makers prioritize their Aid-for-Trade agenda, highlighted the link between capacity building, successful implementation of trade agreements and generating FTA-related benefits to advance the social and economic development of the region⁴. It also called upon the IDB to support LA countries in strengthening their institutional capacity in the area of FTA implementation.

B. Executing Mechanism

- 5.3 The Integration and Trade Sector (INT/INT) will have the responsibility for both the technical aspects of the project as well as the disbursement of its resources.

C. Program Implementation Readiness

- 5.4 The project will be ready upon approval of the Plan of Operation (December 2008).

D. Execution Period and Disbursement Schedule

- 5.5 The project will be executed over a period of 9 months with a disbursement period of 12 months.

⁴ WTO, IDB "Mobilizing Aid for Trade: Focus on Latin America and the Caribbean. Proceedings of the Regional Review Meeting". September 13-14, 2007. Lima, Peru.

E. Procurement

- 5.6 Procurement will be carried out according to the Bank's policies and procedures set forth in documents GN-2349-7 (Policies for the Procurement of Works and Goods Financed by the IDB) and GN-2350-7 (Policies for the Selection and Procurement of Consulting Services Financed by the IDB).

VI. MONITORING AND EVALUATION

A. Monitoring

- 6.1 The Integration and Trade Sector (INT/INT) will monitor project implementation.

B. Technical and Basic Responsibility

- 6.2 The Integration and Trade Sector (INT/INT) will have the technical and basic responsibility of this operation.

C. Evaluation

- 6.3 In view of the activities financed by this operation (principally studies) and the fact that it will be executed by the Bank, an external evaluation is not deemed necessary.

VII. PROJECT BENEFITS AND RISKS

A. Benefits

- 7.1 The AFT Initiative has been set up to support developing countries in designing trade policies, negotiating trade agreements, and building trade-related institutional and other supply-side capacities that will allow them to participate successfully in the global economy. The design of AFT strategies with clear and achievable objectives is a first step in that direction. The present operation will support the LAC countries to prepare such strategies by generating and disseminating information on successful practices, facilitate the exchange of experiences on a regional level and explore the possibility for a more permanent support network.
- 7.2 With respect to the Bank, the activities in this project will help it identify key challenges that its member countries face in the area of international trade. This technical operation will therefore support the work of the Bank in general and INT in particular in defining and prioritizing its trade-related work program..

B. Risks

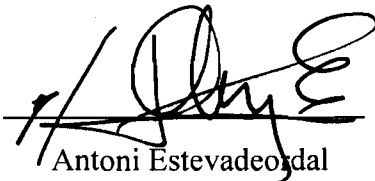
- 7.3 The organization of the various meetings that are part of this project represents a challenge for INT as the Bank Department responsible for the execution of this TC. To make sure that all of the meetings and the regional forum, in particular,

are organized in a proper and timely fashion, the budget includes resources for local administrative and logistical support.

VIII. ENVIRONMENTAL AND SOCIAL ASPECTS

- 8.1 The project will have no direct environmental or social impact. It finances studies and workshops that will help shape the policy-making process on trade issues. The results of the project, however, can not be directly attributed to any actual trade policy decisions and/or their implementation, which, in turn, could produce certain social and/or environmental effects.
- 8.2 In accordance with the Safeguard Policy Filter Report (#2008-08281644-2), the project does not require complementary environmental or social actions. Moreover, in accordance with the Safeguard Screening Form (# 2008-08282109-2), the operation has been classified as category "C".

IX. APPROVAL



Antoni Esteveordal
Manager
INT/INT

12/10/09

Date

**SUPPORTING LAC COUNTRIES IN DEFINING AND
IMPLEMENTING THEIR AID FOR TRADE STRATEGIES**

RG-T1621

CERTIFICATION

I hereby certify that resources from the Markets and Governance for Poverty Reduction Trust Fund (KMG) are available for up to US\$600,000 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of twelve (12) calendar months counted from the date of signature below. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this Plan of Operations. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

pp/ Sonia Ma. Rivera

Marguerite S. Berger
Chief

Grants and Cofinancing Management Unit
VPC/GCM

Dec 9, 2008

Date

Annex I
Supporting LAC countries in defining and implementing their AFT strategies
(RG-T1621)
Initial Procurement Plan

Main Project Procurements	Estimated Contract Cost US\$	Procurement Method	Financing Source		Review	Prequalification	Estimated Dates	Status
			IDB	Local		Yes/No	Publication of Notice	
NON-CONSULTING SERVICES								
Component I: National and Sub-national Overviews on Aid for Trade								
Rental Venue and equipment for workshops	7,500 each	PC	100%	0%	N/A	N/A	N/A	pending
Break and lunch for workshops	3,000 each	PC	100%	0%	N/A	N/A	N/A	pending
Materials for workshops	3,000 each	PC	100%	0%	N/A	N/A	N/A	pending
Administrative support for workshops	10,000 each	PC	100%	0%	N/A	N/A	N/A	pending
Component II: Regional training forum on implementation of the Aid for Trade initiative in LAC								
Rental venue and equipment	15,000	PC	100%	0%	N/A	N/A	N/A	pending
Coffee breaks and lunches	20,000	PC	100%	0%	N/A	N/A	N/A	pending
Materials	10,000	PC	100%	0%	N/A	N/A	N/A	pending
Firm to organize event	30,000	PC	100%	0%	N/A	N/A	N/A	pending
Translation	15,000	PC	100%	0%	N/A	N/A	N/A	pending
Workstations	5,000	PC	100%	0%	N/A	N/A	N/A	pending
Component III: Monitoring Aid for Trade Flows								
Publication	10,000	PC	100%	0%	N/A	N/A	N/A	pending
Component IV: Evaluation of the constitution of an “Aid for Trade LAC Support Network”								
Publication	10,000	PC	100%	0%	N/A	N/A	N/A	Pending

CONSULTING SERVICES								
Component I: National and Sub-national Overviews on Aid for Trade								
Consulting firm for sub-regional overview	43,964	QCBS	100%	0%	N/A	No	N/A	Pending
Individual consultant for national overview	23,800	IICC	100%	0%	N/A	No	N/A	Pending
Individual consultant for national overview	23,400	IICC	100%	0%	N/A	No	N/A	Pending
Moderator for sub-regional workshop	2,982	IICC	100%	0%	N/A	No	N/A	Pending
Moderators for national workshop	2,798	IICC	100%	0%	N/A	No	N/A	Pending
Moderator for national workshop	2,400	IICC	100%	0%	N/A	No	N/A	Pending
Component II: Regional training forum on implementation of the Aid for Trade initiative in LAC								
Moderators (4)	8,932 each	IICC	100%	0%	N/A	No	N/A	Pending
Reporters (3)	5,594 each	IICC	100%	0%	N/A	No	N/A	Pending
Component III: Monitoring Aid for Trade Flows								
Individual consultant for study on monitoring AFT	22,182	IICC	100%	0%	N/A	No	N/A	Pending
Component IV: Evaluation of the constitution of an "Aid for Trade LAC Support Network"								
Individual consultant for study on AFT network	22,182	IICC	100%	0%	N/A	No	N/A	Pending

Documents GN-2349-7 and GN-2350-7 make reference to the following procurement methods: **Goods and Works**: ICB: International competitive bidding; LIB: limited international bidding; NCB: national competitive bidding; PC: price comparison; DC: direct contracting; FA: force account; PSA: Procurement through Specialized Agencies; PA: Procurement Agents; IA: Inspection Agents; PLFI: Procurement in Loans to Financial Intermediaries; BOO/BOT/BOOT: Build, Own, Operate/Build, Operate, Transfer/Build, Own, Operate, Transfer; PBP: Performance-Based Procurement; PLGB: Procurement under Loans Guaranteed by the Bank; PCP: Community participation procurement. **Consulting Firms**: QCBS: Quality- and Cost-Based Selection QBS: Quality-Based Selection FBS: Selection under a Fixed Budget; LCS: Least-Cost Selection; CQS: Selection based on the Consultants' Qualifications; SSS: Single-Source Selection. **Individual Consultants**: NICQ: National Individual Consultant selection based on Qualifications; IICC: International Individual Consultant selection based on Qualifications For further details please refer to the respective documents.

Annex II Detailed Budget Supporting LAC Countries in Defining and Implementing their AFT Strategies RG-T1621						
	Unit	Price	Quantity	FRPG-OC	Local	TOTAL
Totals				600,000	0	600,000
Component I: National and Sub-regional Overviews on Aid for Trade						
				91,164	0	91,164
Consultants						
Honoraria (three overviews)	days	\$500	160	80,000	0	80,000
Ticket	tickets	\$867	6	5,200	0	5,200
Per diem	days	\$249	24	5,964	0	5,964
Workshop Moderators						
Honoraria	days	\$500	6	3,000	0	3,000
Ticket	tickets	\$867	3	2,600	0	2,600
Per diem	days	\$287	9	2,580	0	2,580
Participants						
Tickets	tickets	\$800	20	16,000	0	16,000
Per diem	days	\$394	60	23,640	0	23,640
Workshop Logistic Costs						
Rental venue and equipment		\$7,500	3	22,500	0	22,500
Coffee break and lunch		\$3,000	3	9,000	0	9,000
Materials		\$3,000	3	9,000	0	9,000
Administrative Support		\$10,000	3	30,000	0	30,000
Component II: Regional Forum						
				287,266	0	287,266
Moderators (4)						
Honoraria	days	\$4,000	4	16,000	0	16,000
				35,728	0	35,728

Ticket (Business Class)	tickets	\$3,750	4	15,000	0	15,000
Per diem	days	\$394	12	4,728	0	4,728
Rapporteurs (3)				16,782	0	16,782
Honoraria	days	\$4,000	3	12,000	0	12,000
Ticket	tickets	\$1,200	3	3,600	0	3,600
Per diem	dyas	\$394	3	1,182	0	1,182
Participating countries				139,756	0	139,756
Tickets	tickets	\$1,228	58	71,200	0	71,200
Per diem	days	\$3,914	174	68,556	0	68,556
Regional Forum Logistic Costs				95,000	0	95,000
Rental venue and equipment		\$15,000	1	15,000	0	15,000
Coffee break and lunch		\$20,000	1	20,000	0	20,000
Materials		\$10,000	1	10,000	0	10,000
Firm to organize event		\$30,000	1	30,000	0	30,000
Translation		\$15,000	1	15,000	0	15,000
Workstations		\$5,000	1	5,000	0	5,000
Component III: Monitoring Aid for Trade Flows				32,182	0	32,182
Consultant				22,182	0	22,182
Honoraria	days	\$500	40	20,000	0	20,000
Ticket	tickets	\$1,000	1	1,000	0	1,000
Per diem	days	\$394	3	1,182	0	1,182
Publication		\$10,000	1	10,000	0	10,000
Component IV: Evaluation of an AFT LAC support network				32,182	0	32,182
Consultant				22,182	0	22,182
Honoraria	days	\$500	40	20,000	0	20,000
Ticket	tickets	\$1,000	1	1,000	0	1,000
Per deim	days	\$394	3	1,182	0	1,182
Publication		\$10,000	1	10,000	0	10,000
Contingencies				38,886	0	38,886

**ANNEX III
DRAFT TERMS OF REFERENCE**

**“SUPPORTING LAC COUNTRIES IN DEFINING AND IMPLEMENTING
THEIR AID FOR TRADE STRATEGIES”
(RG-T1621)**

I. BACKGROUND

The WTO's Hong Kong Ministerial Declaration of 2005 created an ambitious new mandate on Aid for Trade (AFT) aimed at helping developing countries, in particular the least developed, to build the supply-side capacity and infrastructure needed to help them take advantage of the trade opening process and to connect with the global economy.

During the year 2007, three regional meetings took place, in Latin America, Asia, and Africa, in preparation of the annual Aid-for-Trade global meeting held in Geneva under the auspices of the WTO in November 2007. The IDB lead the LAC Regional Meeting, which took place in Lima, Perú, on the 13 and 14th of September 2007.

In line with, both, the goals set forth by the WTO AFT 2008 Road Map, as well as the conclusions reached in the LAC regional conference, this project aims to represent a step further in the process of supporting LAC countries in mainstreaming international trade within their development agendas and in gaining ownership over the AFT initiative. More specifically, this project aims to go one step further to the work done at the LAC regional review and focus on supporting the implementation and monitoring stages of those AFT policies that have already been adopted by the LAC countries, as well as promoting the adoption and development of more effective strategies in those countries who are still in the process of identifying their needs and priorities. Additionally, the project also seeks to increase government's ability to monitor AFT flows; and enhance their capacity to design result-based frameworks for their AFT strategies.

The following section provides an outline of the consultancy services to be hired under this project. The coordination and supervision of these consultancies will be the responsibility of the Integration and Trade Sector (INT) at the IDB.

COMPONENT I – OVERVIEWS ON AID FOR TRADE

OBJECTIVE

The objective of these consultancies is to produce three overviews which will analyze the strategies followed by certain LAC countries or sub-regions with respect to definition and implementation of AFT strategies.

ACTIVITIES

Each one of the three consultants will prepare a study assessing (i) the nature of problems that one selected country or sub-region is having with regards to the definition or the implementation of their AFT strategies, (ii) the impact that such problems are having or will possibly have in the short and medium term on trade performance capacity of countries and on their ability to take advantage of preferential trade and/or investment opportunities, and (iii) the most important challenges they face to overcome such problems.

In this assessment, the consultants will give special emphasis to the identification of the lessons that can be learned from the experiences of these countries or sub-regions.

Additionally, each one of the consultants will participate in the subsequent workshop where their overviews will be presented and discussed by relevant government officials and private sector representatives.

Finally, each one of the consultant will also participate in a final regional forum (Component II of the Project), where the overviews as well as the conclusions reached at the workshops will be presented and discussed among public and private sector representatives from all LAC, as well as donor agencies.

CHARACTERISTICS OF THE CONSULTANCY

Type of consultancy: International.

Duration: 20 days.

Place of work: Country of residence/business and Latin-American country to be determined.

Qualifications:

- (a) Minimum of 10 years experience in conducting and coordinating research on issues related to the implementation of free trade agreements in Latin America.
- (b) Extensive knowledge of legal and institutional issues related to international trade policy design and implementation in Latin America.
- (c) Proven expertise in private sector issues in trade negotiations and implementation of FTAs in Latin America.
- (d) Language requirements: Proficiency in English and Spanish.

REPORTS / PRODUCTS

- Methodology proposal.
- Draft of the final report.
- Final Report.

COMPONENT III – MONITORING AID FOR TRADE FLOWS

OBJECTIVE

The objective of this consultancy is to produce a study that will explore options to enhance regional monitoring mechanisms of AFT flows,

ACTIVITIES

The consultant will prepare a study that will analyze the different options that exist in order to enhance regional monitoring mechanisms of AFT flows, including the development of databases and the identification of evaluation indicators to measure the effectiveness of such flows.

Additionally, the consultant will participate in a regional forum on AFT, where his/her paper will be presented and discussed among private and public representatives from all LAC as well as donor agencies.

CHARACTERISTICS OF THE CONSULTANCY

Type of consultancy: International.

Duration: 20 days.

Place of work: Country of residence/work, or Washington D.C.

Qualifications:

- (a) Minimum of 10 years experience in working with and developing monitoring mechanisms, including creation and management of databases and the identification of indicators.
- (b) Profound knowledge on free trade agreements and on the WTO AFT initiative.
- (c) Familiarity with legal and institutional issues related to international trade policy design and implementation in Latin America.
- (d) Language requirements: Proficiency in English and Spanish.

REPORTS / PRODUCTS

- Outline of study.
- Draft of the final report.
- Final Report.

COMPONENT IV - EVALUATION OF THE CONSTITUTION OF AN “AID FOR TRADE LAC SUPPORT NETWORK”

OBJECTIVE

The objective of this consultancy is to produce a study that will evaluate the creation of a permanent AFT support network in the LAC region, led by the IDB and the WTO, and which would include countries, regional secretariats, lead donors, multilateral and regional agencies and private sector representatives.

ACTIVITIES

The consultant hired will prepare a study exploring the creation of such network.

More specifically, the study would analyze the feasibility of creating such a network and the ways in which it could assist countries and sub-regions in mapping out priorities and developing action plans.

Additionally, the consultant will participate in a regional forum on AFT, where his/her paper will be presented and discussed among private and public representatives from all LAC as well as donor agencies.

CHARACTERISTICS OF THE CONSULTANCY

Type of consultancy: International.

Duration: 20 days.

Place of work: Country of residence, Washington D.C. and selected countries in LA.

Qualifications:

- (a) Minimum of 10 years experience in conducting and coordinating research on issues related to the implementation of free trade agreements in Latin America.
- (b) Extensive knowledge on the WTO AFT initiative and on the background and context of the participation in this initiative by Latin-American countries and their most relevant players.
- (a) Language requirements: Proficiency in English and Spanish.

REPORTS / PRODUCTS

- Outline of study.
- Draft of the final report.
- Final Report.