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DEVELOPMENT CO-OPERATION DIRECTORATE TRADE AND AGRICULTURE DIRECTORATE

REPORTING ON AID FOR TRADE TO THE CREDITOR REPORTING SYSTEM

INFORMATION NOTE

Joint Meeting of the Development Assistance Committee and the Working Party of the Trade Committee, 11 September 2008, OECD Conference Centre, Paris

This note is for INFORMATION under Item 8 of the agenda.

This note explains how to report Aid for Trade following WTO members' decision to use the OECD/DAC Creditor Reporting System (CRS) aid activity database to monitor Aid for Trade commitments and

INFORMATION NOTE REPORTING ON AID FOR TRADE TO THE CREDITOR REPORTING SYSTEM

Purpose

1. This note explains how to report Aid for Trade following WTO members' decision to use the

Role of the CRS reporting

- 6. A key reason to use the CRS instead of the former Joint WTO/OECD Trade Capacity Building Database was the expansion of the Aid for Trade agenda. While Trade-Related Technical Assistance and Capacity Building (trta/cb) represents less than five percent of sector allocable ODA, Aid for Trade is estimated to amount to around a third of sector allocable ODA. Expanding the Joint TCB database would have led to the creation of a parallel reporting process and a significant duplication of effort by donors for the collection of data on AFT flows. This was deemed ineffective and risky. Indeed, parallel data collections are well known to reduce the quality and consistency of the data.
- 7. On 4th May 2007, the Joint WTO/OECD Working Group on the TCB database agreed to cease specialised reporting of trade-related assistance information directly to the TCB database and use instead the CRS as the reporting mechanism for all Aid for Trade flows.

What is the CRS?

- 8. The CRS aid activity database was established in 1967 and collects information on official development assistance (ODA) and other official flows to developing countries. It is the internationally recognised source of data on aid activities (geographical and sectoral breakdowns) and is widely used by governments, organisations and researchers active in the field of development. For the OECD, the CRS serves as a tool for monitoring specific policy issues, including AFT. The policy and guidelines for CRS reporting are approved by DAC members as represented on the DAC Working Party on Statistics (WP-STAT). The OECD collects, collates and verifies the consistency of the data, and maintains the database.
- 9. However, the CRS offers much less granularity than the specialised Joint WTO/OECD TCB

Changes in reporting requirements

Annex 1. THE TRADE DEVELOPMENT MARKER

Markers in the CRS seek information on the policy objectives served by the activity. As with other CRS markers, the TD Marker contains three possible levels of scoring:

 $\underline{Score\ 2\ =Principal}$ (or primary) policy objectives, i.e. those which can be identified as being fundamental in the design and impact of the activity and which are an explicit objective of the

Annex 2. MAPPING BETWEEN TCBDB AND CRS PURPOSE CODES

In the CRS, data are recorded using 5-digit purpose codes. The contents of purpose codes pertaining to AFT are defined below:

TRADE POLICY and REGULATIONS and TRADE-RELATED ADJUSTMENT

| Trade policy and administrative management | Trade policy and planning; support to ministries and departments responsible for trade policy; trade-related legislation and regulatory reforms; policy analysis and implementation of multilateral trade agreements e.g. technical barriers to trade and sanitary and phytosanitary measures (TBT/SPS) except at regional level (see 33130); mainstreaming trade in national development strategies (e.g. poverty reduction strategy papers); wholesale/retail trade; unspecified trade and trade promotion activities. |
|--|--|
| Trade facilitation | Simplification and harmonisation of international import and export procedures (e.g. customs valuation, licensing procedures, transport formalities, payments, insurance); support to customs departments; tariff reforms. |
| Regional trade agreements (RTAs) | Support to regional trade arrangements [e.g. Southern African Development Community (SADC), Association of Southeast Asian Nations (ASEAN), Free Trade Area of the Americas (FTAA), African Caribbean Pacific/European Union (ACP/EU)], including work on technical barriers to trade and sanitary and phytosanitary measures (TBT/SPS) at regional level; elaboration of rules of origin and introduction of special and differential treatment in RTAs. |
| Multilateral trade negotiations | Support developing countries' effective participation in multilateral trade negotiations, including training of negotiators, assessing impacts of negotiations; accession to the World Trade Organisation (WTO) and other multilateral trade-related organisations. |
| | |
| Trade education/training | Human resources development in trade not included under any of the above codes. Includes university programmes in trade. |

BUILDING PRODUCTIVE CAPACITY

| | Food crop production | Including grain | s (wheat, | rice, | barley, | maize, | rye, | oats, | millet, |
|--|----------------------|-----------------|-----------|-------|---------|--------|------|-------|---------|

| Mineral/mining policy and administrative management | Mineral and mining sector policy, planning and programmes; mining legislation, mining cadastre, mineral resources inventory, information systems, institution capacity building and advice; unspecified mineral resources exploitation. |
|---|---|
| Mineral prospection and exploration | Geology, geophysics, geochemistry; excluding hydrogeology (14010) and environmental geology (41010), mineral extraction and processing, infrastructure, technology, economics, safety and environment management. |
| Coal | Including lignite and peat. |
| Oil and gas | Petroleum, natural gas, condensates, liquefied petroleum gas (LPG), liquefied natural gas (LNG); including drilling and production. |
| Ferrous metals | Iron and ferro-alloy metals. |
| Nonferrous metals | Aluminium, copper, lead, nickel, tin, zinc. |
| Precious metals/materials | Gold, silver, platinum, diamonds, gemstones. |
| Industrial minerals | Baryte, limestone, feldspar, kaolin, sand, gypsym, gravel, ornamental stones. |
| Fertilizer minerals | Phosphates, potash. |
| Offshore minerals | Polymetallic nodules, phosphorites, marine placer deposits. |

ECONOMIC INFRASTRUCTURE (only in the CRS)

| | Note: Manufacturing of transport equipment should be included under code 32172. |
|---|---|
| Transport policy and administrative management | Transport sector policy, planning and programmes; aid to transport ministries; institution capacity building and advice; unspecified transport; activities that combine road, rail, water and/or air transport. |
| Road transport | Road infrastructure, road vehicles; passenger road transport, motor passenger cars. |
| Rail transport | Rail infrastructure, rail equipment, locomotives, other rolling stock; including light rail (tram) and underground systems. |
| Water transport | Harbours and docks, harbour guidance systems, ships and boats; river and other inland water transport, inland barges and vessels. |
| Air transport | Airports, airport guidance systems, aeroplanes, aeroplane maintenance equipment. |
| Storage | Whether or not related to transportation. |
| Education and training in transport and storage | |

| Communications policy and administrative management | Communications sector policy, planning and programmes; institution capacity building and advice; including postal services development; unspecified communications activities. | | | |
|---|--|--|--|--|
| Telecommunications | Telephone networks, telecommunication satellites, earth stations. | | | |
| Radio/television/print media | | | | |

