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LINKAGES BETWEEN TRADE DEVELOPMENT AND POVERTY

End of Project Evaluation Report

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Table of Contents

Executive Summary	5
1 Background.....	15
1.1 Project Description	15
1.1.1 Objectives.....	15
1.1.2 Project Countries and Partners	16
1.2 Nature of Intervention, Activities and Financial Envelope	17
1.3 Current Status of the Project.....	18
2 Review of Project Activities	19
2.1 Country background documents.....	19
2.2 Case Studies (Stakeholder perceptions in sectors)	23
2.3 Briefing Papers	26
2.4 Campaign Kits	33
2.5 Advocacy Document	36
2.6 Media Articles	42
2.7 National Dialogues	42
2.8 Regional/International Events	48
3 Performance efficiency	54
3.1 Completion of Activities	54
3.1.1 Amendments to Design	54
3.2 Administrative and Coordination Arrangements.....	55
3.2.1 Advisory Committee	55
3.2.2 Project Reviews.....	57
3.3 Financial management.....	58
4 Analysis of Results.....	59
4.1 Outputs	59
4.2 Results targeted by the project	60
4.3 Effectiveness- Results from the Project.....	67
4.3.1 Benefits to target groups.....	67
4.4 Cost Effectiveness:	72
4.5 Impact.....	75
4.6 Sustainability	80
4.7 Challenges and Constraints	83
5 Conclusions and Recommendations.....	85
5.1 Conclusions	85
5.1.1 Relevance	85
5.1.2 Efficiency	85
5.1.3 Effectiveness.....	85

	·	
5.1.4	Impacts	86
5.1.5	Sustainability	87
5.2	Recommendations	87
5.3	Remedial Actions (being) initiated by CUTS.....	89
6	Field visit reports	91
6.1	Selection of field visit locations	91
6.2	Methodological challenges in country level evaluation	92
6.3	Lessons learnt from country studies	93
6.4	Vietnam (Sept 24 - 29, 2008)	94
6.4.1	Relevance	94
6.4.2	Selection of Partners.....	95
6.4.3	Activities and Outputs	96
6.4.4	Completion of activities	100
6.4.5	Results	101
6.5	Bangladesh (Oct 5-10, 2008).....	102
6.5.1	Relevance	102
6.5.2	Selection of Partners.....	102
6.5.3	Activities and Outputs	103
6.5.4	Completion of activities	112
6.5.5	Results	112
6.6	Zambia (Nov 2-7, 2008).....	114
6.6.1	Relevance	114
6.6.2	Selection of Partners.....	114
6.6.3	Activities and Outputs	115
6.6.4	Completion of activities	123
6.6.5	Results	124
6.7	Uganda (Nov 8-12, 2008).....	126
6.7.1	Relevance	126
6.7.2	Selection of Partners.....	127
6.7.3	Activities and Outputs	127
6.7.4	Completion of activities	132
6.7.5	Results	132
6.8	India (intermittent; Aug, Nov, Dec, 2008)	133
6.8.1	Relevance	133
6.8.2	Selection of Partners.....	133
6.8.3	Activities and Outputs	133
6.8.4	Completion of activities	138
6.8.5	Results	138
6.9	List of persons met in the evaluation.....	140

Table 1. TDP Project Partners	16
Table 2. TDP Project Budget Breakup, in €	18
Table 3. Country-wise case studies (sectors)	23
Table 4. Briefing papers developed under the TDP	26
Table 5. Campaign kits developed under the TDP	33
Table 6. Attendance at National Dialogue events.....	47
Table 7. Regional and International Conferences and Networking events.....	52
Table 8. Advisory Committee, TDP	56
Table 9. Personnel costs for CUTS offices, euro	74

List of Acronyms

ADB	Asian Development Bank
AfT	Aid for Trade
AGOA	African Growth and Opportunity Act
ASEAN	Association of South East Asian Nations
AWEPON	African Women's Economic Policy Network
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
CBI	Centre for Promotion of Exports from Developing Countries
CBOs	Community Based Organisations
CDI	Centre for Development & Integration
CIEM	Centre for Industrial Economic Monitoring
CIS	Commonwealth of Independent States
COMESA	Common Market for Eastern & Southern Africa
CONSENT	Congress of Settlement Nations
CSOs	Civil Society Organisations
CSPR	Civil Society for Poverty Reduction
CSTNZ	Civil Society Trade Network of Zambia
CUTS	Consumer Unity & Trust Society
CUTS ARC	CUTS Africa Resource Centre
CUTS HQ	CUTS Headquarters
CUTS LRC	CUTS London Resource Centre
CUTS-CITEE	CUTS Centre for International Trade, Economics & Environment
DANIDA	Danish International Development Agency
DCL	Dairy Corporation Limited
DENIVA	Development Network of Indigenous Voluntary Associations
DFID	Department For International Development
DFQF	Duty Free and Quota Free
DFID	Department for International Development
DTIS	Department of Telecommunications and Information Services
DTIS	Diagnostic Trade Integration Study
EBA	Everything But Arms
EC	European Commission
ECPDM	European Centre for Development Policy Management
EPA	Economic Partnership Agreements
EPOPA	Export Promotion of Organic Products from Africa
ESA	Eastern and Southern Africa
EU	European Union
FDI	Foreign Direct Investment
FEITS	Fostering Equity in the International Trading System
FNDP	Fifth National Development Plan
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GRANITE	Grassroots Reach out And Networking on International Trade and Economics
GSP	Generalised System of Preferences
GTAP	Global Trade Analysis Project
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German

	Technical Cooperation Agency)
HDR	Human Development Report
ICT	Information and Communications Technology
ILEAP	International Lawyers and Economists Against Poverty
IT	Information Technology
ITC	International Trade Centre
JBIC	Japan Bank of International Cooperation
JCTR	Jesuit Centre for Theological Reflection
JV	Joint Venture
KTPP	Kenya Trade and Poverty Programme
LDCs	Less Developed Countries
MDGs	Millennium Development Goals
MFA	Multi Fibre Arrangement
MINBUZA	Ministerie van Buitenlandse Zaken (Netherlands Ministry of Foreign Affairs)
MINTDEV	Mainstreaming International Trade in the National Development Strategy
MOFCOM	Ministry of Commerce (China)
MSP	Minimum Support Price
NAMA	Non Agricultural market Access
NDP	National Development Plan
NGOs	Non Governmental Organisations
NME	Non Market Economy
NTBs	Non Tariff Barriers
ODA	Overseas Development Assistance
ODCMT	Organizational Development and Community Management Trust
OECD	Organization for Economic Co-operation and Development
PCM	Programme Cycle Management
PEAP	Poverty Eradication Action Plan
PRSP	Poverty Reduction Strategy Paper
PSD	Private Sector Development
QR	Quantitative Restrictions
RMG	Ready Made Garments
SADC	Southern African Development Community
SAPs	Structural Adjustment Programmes
SAWTEE	South Asia Watch on Trade, Economics and Environment
SMART	Specific Measurable Attributable Realistic Time bound
SMEs	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary Standards
TBT	Technical Barriers to Trade
TDP	Trade Development and Poverty
TDPIs	Trade Development and Poverty Initiatives
TDR	Trade Development Report
TORs	Terms of Reference
TRIPS	Trade Related Intellectual Property Safeguards
TRTA	Trade Related Technical Assistance
UDC	Uganda Dairy Corporation
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade & Development

UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
UPTOP	Uganda Programme for Trade Opportunities and Policy
US	United States/ Unnayan Shamannay
WIDER	World Institute for Development Economics Research
WTO	World Trade Organization

EXECUTIVE SUMMARY

I. Project Background

CUTS Centre for International Trade, Economics & Environment (CUTS CITEE), Jaipur, India, has implemented a four-year project (January 2005 and completed in December 2008) titled, “**Linkages between Trade, Development and Poverty Reduction**” (TDP).

- **Objectives:** The Project was designed with the following four Objectives:-
 - a) Cross fertilizing the experiences and lessons learnt on linkages between trade, development and poverty reduction in the developing countries to develop appropriate policy responses ;
 - b) Strengthening the ability of developing countries through the provision of policy support and other know-how and do-how on trade and development issues;
 - c) Facilitating synergies between governments and civil society organizations (particularly North and South) , to learn from each other and strengthen their collective perspectives and positions in the emerging debate on the linkages between trade, development and poverty reduction; and
 - d) Advocating development-oriented trade policies, based on learning from research and other activities.

- **Implementation:** The project was implemented in **15 countries** (China, Cambodia, Vietnam, Bangladesh, India, Nepal, Pakistan, Sri Lanka, Netherlands, United Kingdom, South Africa, Zambia, Kenya, Tanzania, and Uganda) in which CUTS identified partners having considerable credibility in either research or advocacy on trade and poverty issues.

- **Budget:** The project entailed a budget of **€2,302,650**, or **£ 1,611,855**, spread across four years, of which close to 65% was funded by Ministry of Foreign Affairs (MINBUZA), The Netherlands and the rest by DFID, UK.

II. Activities undertaken

The major activities involved in the project, some undertaken by the partners and the rest by the CUTS regional offices, were:

- **Country Background Documents** prepared to provide an analysis of the path of economic and trade liberalization in the countries during the past one-two decades, the current state of trade performance, and key policy initiatives to develop trade and to secure the benefits of economic growth for the poorer sections.
- **Case Studies** aimed at collecting stakeholders' perceptions in two sectors in each of the project countries, on the impact of (trade) liberalisation on their livelihoods and markets. Two case studies were prepared for each country, one based on a sector which has benefited from trade liberalisation, and the other, a sector that has been affected negatively by trade liberalisation.
- **Briefing papers**, analytical contributions to the debate on trade, development and poverty reduction linkages. Over the four-year duration, the project has produced 18 briefing papers, written by CUTS International staff and some by external experts, covering two major themes: (a) Trade, development and poverty linkages; and (b) Aid for Trade.
- **Campaign Kits:** Based on the stakeholders' perceptions, Campaign kits were designed by local partners in English and local languages containing useful but simply illustrated themes that served as primers and introductory materials for the appreciation of the trade-development- poverty linkage, using local realities as the backdrop. These were also used by media to disseminate the findings and concepts.
- **Advocacy Document:** An advocacy document titled '*Strengthening the Linkages between Trade, Development and Poverty Reduction*'- a high quality output compiling lessons from the various country case studies, which can be used while considering policy alternatives aimed primarily at creating economic opportunities through trade liberalization.
- **Media Articles:** According to the partnership agreements, each partner was required to write and publish at least four articles of 1000-1500 words each year, in national and local press.
- **National Dialogue:** Each partner was to organize four dialogues over the entire duration of the project.

- **Regional / International Events:** international/ regional events to share the key messages and issues identified from the project experiences.

III. Performance Efficiency

- Overall, the project completed all its activities as scheduled, and broadly within the given budget. **However, the project has had major weaknesses in implementation and management:**
 - A Project Advisory Committee consisting of sixteen persons was constituted to provide guidance for the project. However, the board never met in its full force during the four years of the project, although some members interacted with the project implementation partners at some of the project's events, and these interactions included informal reviews of the project. Overall, the advisory committee was unable to provide due advice and guidance to improve the quality of interventions, advocacy effectiveness, and visibility/traction at the national/local level.
- **Project reviews:**
 - No formal reviews have been undertaken of the results achieved through national dialogues and other events in the project countries; however, there were internal reviews and through one-to-one correspondence with partners.
 - No qualitative interactions took place between the donors and CUTS partners on the performance of the project; however, a few donors in partner countries attended project events occasionally.
 - The quality of backstopping from CUTS faced many challenges primarily due to frequent changes of staff both in headquarters and in the CUTS Resource Centres.
- **Financial Management:** Overall, the project has been managed within the available budgets, and funds have been released to partners in accordance with the contracts. However, there has been some reallocation of funds among earmarked activities, based on specific situations and needs in the implementation countries.

IV. Analysis of Results

- **Outputs:**

In the aggregate, the project has shown a number of useful outputs. It has:

- **Facilitated development and dissemination of a large volume of useful materials on Trade Development and Poverty Linkage** to over 22,000 people, drawing from a diverse set of developing and least developed countries, which is collectively its most important contribution to the global repository on trade related development issues. Several outputs are of good analytical quality, and can be considered useful references for anyone with a working interest on these issues.
- **Provided a well-rounded base for policy makers** as well as advocacy organizations to articulate positions and demands for a more effective pro-poor policy formulation and, more importantly, implementation. Albeit its huge canvas at the global level, it is too diffused, isolated and lacks sufficient visibility at the local level.
- **Provided the project implementation partners considerable opportunities for exchange of experiences** in mitigating the adverse effects of liberalisation on the weaker stakeholders, and in exploiting the positive benefits from liberalisation.
- **Generated international visibility** on Trade and Poverty Linkages and sensitized development partners to the diverse impacts that liberalisation can have on development and poverty reduction in less developed countries.

However, despite being internationally highly visible, the project remained very small and insignificant at the local level:

- **Locally, it remained a set of few, long-spaced activities**, delivered mechanistically, within the fixed and rigid templates. There was a very thin spread of activities at the country level over a long implementation horizon of four years.
- **In the absence of a Logical Framework and Results Matrix at the aggregate and at the national level, there was limited local ownership of results**, which resulted in a lack of creativity and adaptation and limited advocacy targeted at national stakeholders. This may have also partly been due to the limited capacities of CSOs in developing countries, which are improving gradually.
- **The knowledge contents remained static:** in many cases, perceptions of 2005 continued to be shared in 2007 and 2008, with limited current relevance for recommending actions.

- **There was limited engagement with policy makers and donors at the local level,** beyond three or four occasions in the entire four-year duration of the project.

The project also had the following **administrative weaknesses**:

- Inadequate project review mechanisms and monitoring
- Inadequate qualitative backstopping and project monitoring arrangements
- Absence of a results orientation for the implementation partners

- **Performance against Targeted Results:**

The assessment of results was difficult due to the **absence of a clearly articulated Results Matrix and Logical Framework Analysis,** and the fact that no specific results were even targeted at the country level, where the key trade-related challenges could be identified more precisely, and project interventions could be designed and targeted to obtain concrete results. That the project's donors accepted to fund the project design and did not insist on a SMART Results Matrix even subsequently, is seen as an oversight that has contributed to the absence of results.

As a result, the benefits from the project have been assessed at three levels:

- **Benefits accruing to programme partners:** The project provided an excellent opportunity for cross-fertilisation of experiences across countries in the same sectors to develop appropriate policy responses, but this has not been fully used by the partners.
- **Benefits accruing to the key influencers in the trade, development and poverty linkage dynamic:** The initiative towards achieving the objective of advocating trade oriented policies was the creation of an 'International Advocacy Document' which aimed to influence a policy shift among trade ministries to incorporate a more development-oriented foreign trade policy. But, the excessive focus of the project's advocacy on trade actors alone is considered erroneous. However, the project has been highly active in engaging with donors and development partners in the international arena, particularly on the emerging issues under Aid for Trade.
- There has been insufficient engagement with the principal domestic stakeholders influencing reforms, and also absence of meaningful involvement of industry stakeholders to endorse/ comment on the stakeholder perceptions reported by the project. This limits the advocacy potential of the project at the country level.

- **Benefits accruing to the final beneficiaries:** Specific benefits for trade participants including producers, traders, and consumers, have been rather limited, as there were no specific activities targeted for these stakeholders, customized to their settings. In many project countries, there was also limited engagement with the sector/industry bodies.

- **Cost Effectiveness**

- Given the large number of activities undertaken, an analysis of cost-effectiveness was attempted for the most resource-intensive activities, which were expected to generate the most results for the project. In the evaluation's assessment, the most cost-intensive activities: international and regional seminars and events were the least cost-effective, considering the outreach they had on the most relevant stakeholders.
- On the other hand, the background reports, briefing papers, campaign kits and advocacy documents, which cost considerably less to generate, are considered to have more lasting value, particularly for CSOs stakeholders, as a support to advocacy actions. However, this value depends substantially on the continued interest of beneficiaries to use the lessons from the project in future campaigns.

- **Impact**

In the absence of a pre-agreed listing of target outcomes/impacts, an assessment has been made of the various possible outcomes influenced by the project:

- **Evidence of well-articulated, pro-poor trade policies in the National Development Strategies, clearly reflecting the use of trade as an engine of development and poverty reduction:** In all the four countries visited, CSOs have confirmed their increasing involvement by government in formulating the PRSP and National Development Plan documents. In such a situation, the TDP evidence only strengthens CSOs and government stakeholders to reinforce the trade-related elements of development planning. The fact that all of the TDP partners see the PRSP/ Development Planning documents as key influence items for themselves is an indication that the project has contributed to the increasing influence of CSOs on the planning process in these countries.
- **Implementation of adequate domestic safeguards to protect vulnerable sections against the adverse impacts of trade liberalization:** There have been some examples in the duration of the project, of countries acting through WTO compatible trade measures, to intervene and protect vulnerable sections in the face of import

surges or other major distortions in the domestic markets. Some of these illustrations have been in the sectors studied by the project. However, as observed by the evaluator, the project partners have not participated in engendering such measures, and indeed, many partners have lacked sufficient understanding of safeguard provisions in the agreements signed by their countries.

- **Thrust toward employment generation through enhancement of productive capacities in export-competitive sectors:** There have been sharp contrasts among project countries in the development of productive capacities in sectors/ products that have been identified as having trade potential with employment creation and resultant development gains. The main challenges have been identified as: low absorptive capacities of key stakeholders in government to implement the export sector strategies; weak private sector and civil society organisations; and an absence of sector development institutions, besides financial constraints. These challenges exacerbate the implementation of identified export development plans. The project did not focus specifically on institutions other than the trade ministries, to be able to influence or sensitize other important stakeholders in the government and actors in the productive sectors.
- **Development/ conversion of preferential market access opportunities enabled through trade partnerships:** all the project countries are engaged in a number of trade negotiations: multilateral, bilateral and regional, to secure the best possible market access and trade preferences in their national interests. Civil society participation has been active in trade negotiations and stakeholder consultations on trade issues, and particularly evidenced in EPA negotiations with ESA and SADC. CUTS and its partners have been at the forefront in these consultations, and highly visible at national, regional and international forums. Despite some contentious issues in ongoing discussions, there is ample evidence of a net increase in market access opportunities under the existing trade treaties and trade preferences, particularly for the LDCs. Therefore, there needs to be a reorientation at least partly to address domestic strategies and programmes to avail these additional export opportunities.
- **Resource allocation into productive sectors:** National Development Plans need to reflect increased and prioritized allocations towards productive sectors having high impact on poverty alleviation through trade. The shortage of internal resources in LDCs implies that these initiatives also need to be supported through development assistance including bilateral, regional and multilateral instruments. At least in all the countries visited by the evaluator, there is clear evidence of donor commitment to increase funding in trade related areas, including for sector and institutional development. The project has not particularly focused on monitoring of programme implementation under the National Development Plans or their equivalent, despite being connected with the review mechanisms established by donors in all these countries.

- **Trade support programmes and capacity development:** It is clear that there is a need for increased donor support toward trade development support, and there are high expectations on Aid for Trade to adequately respond to the trade related financial requirements of developing countries. Effective deployment of the Enhanced Integrated Framework and other AfT funding instruments can augment resources for trade related development, but recipients also need to demonstrate strong absorptive capacities and also become better demandeurs. The project has sensitized both donors and recipients perhaps more than any other intervention, on the AfT, and this is likely to be followed through by more export-ready LDCs with greater absorptive capacities to implement export development programmes.

- **Other quantitative indicators,** such as (i) Increased investments by private sector, in export-related activities; (ii) Increase in trade in labour-intensive goods and services, particularly goods and sectors engaging poorer sections; and (iii) Increased employment and improvement in livelihoods/ income levels through participation in export related economic activities, were not assessed due to the fact that these were not targeted by the project, and therefore even if there were positive effects from liberalisation, these could not be directly attributed in any way to the project.

- **Sustainability**
 - The project has focused only on a few areas, and the sustainability of the project's efforts is subject to a number of larger issues, particularly in the economically weaker countries. However, it is evident that the increased involvement and results-effectiveness of CSOs would be the most important elements to ensure that efforts like the TDP have appropriate influence on the course of poverty alleviation strategies in countries.
 - The continued donor support to various civil society initiatives toward trade policy environments delivering results in terms of poverty reduction indicates the strong appeal of the concept.
 - However, the implementation of the TDP calls for introspection for improving the project implementation skills in CUTS and its regional partners. The selection of implementation partners, and the recruitment and retention of good quality human resources over the medium term are critical factors in ensuring that projects achieve their target results and generate measurable and eventually sustainable impacts.

V. Recommendations

It is understood that a proposal has been submitted for a second phase of the project. The following recommendations to improve the effectiveness of the same have been proposed:

- **Project Design:**
 - Inclusion of Log Frame and Results matrix signed on by all implementation partners in the project.
 - Place greater emphasis on in-country results.
 - Budgets should be made variable, and linked to the number of activities as well as size and spread of the target stakeholders in implementation countries
 - Work with measurable baseline information
 - Focus of interventions should be broadened to issues beyond trade policy, and oriented more toward domestic supply constraints, and also capacities of ministries other than trade.

- **Implementation Arrangements:**
 - Partner selection: Separate out the advocacy parts and research parts and assign responsibilities to specialist partners.
 - Regional centres and leading economic research bodies should have longer term funding to continually monitor and track sectors and programmes, while advocacy partners should be able to identify specific actionable areas and engage forcefully and extensively with the relevant stakeholders.
 - Ownership and accountability: local partners and key national stakeholders to own the project implementation and not be only recipients of outputs without any obligations. Where possible, regional resource centres should be delegated the regional implementation of the project.
 - Mandatory to engage the stakeholders more often and more effectively with donors, private sector and other line ministries, under the specific context of the projects, and not in a general public forum.
 - Shift to expense based line-item accounting to measure over/under utilization of resources against earmarked budgets for activities and analyze effectiveness of reassignment of resources.

- **Results Effectiveness:**

- Religiously follow the log frame (with amendments as agreed upon jointly) and collect evidence using the indicators. Usually, what cannot be measured cannot be altered. In case of multi country activities, each country should have its own results matrix to measure the project's local performance and impact.
 - Develop projects with shorter duration/ flexibility to provide for adaptations in ground conditions.
 - Ensure that the project resources are proportionately allocated among activities, and ensure more resources are allocated to stakeholder engagement, targeted at specific results at the appropriate (local, national, regional, global) level.
- **Monitoring Mechanisms:**
 - Donors should insist on the continued presence of an operational advisory group and continued donor involvement, and a robust mechanism for permitting deviations from original design and documentation of the changes.
- **Sustainability:**
 - Activate and ramp up electronic dissemination, and use information technology extensively for making digital repositories
 - Create trade-related capacities and expertise on sector level issues in the CUTS Resource Centres, which can be replicated in other countries/ regions as well.
 - Develop an endowment grant for ensuring suitably funded Resource Centres to eventually become regional centres of excellence among CSOs. Alternatively, bunch funds for several small programmes with overlapping objectives and activities into a pooled fund for a few apex CSOs in a region.

CUTS has already initiated remedial actions in many of these areas, in subsequent projects.

1 BACKGROUND

1.1 Project Description

1. CUTS Centre for International Trade, Economics & Environment (CUTS CITEE), Jaipur, India, has implemented a four-year project (January 2005 and completed in December 2008) titled, “Linkages between Trade, Development and Poverty Reduction” (TDP) with the support from the Department for International Development, UK (DFID) and the Ministry of Foreign Affairs, the Netherlands (MINBUZA). The project was implemented in South Asia (Bangladesh, India, Nepal, Pakistan and Sri Lanka), in South East Asia (Cambodia, Malaysia and Vietnam), in Eastern Africa (Kenya, Tanzania, Uganda), in Southern Africa (South Africa and Zambia) and in Europe in a partnership mode.

1.1.1 Objectives

2. The Project was designed with the following four Objectives:
 - To facilitate the cross fertilization of experiences and lessons learnt on linkages between trade, development and poverty reduction in the developing countries and to aid the development of appropriate policy responses.
 - To help strengthen the ability of developing countries through the provision of policy support and other know-how and do-how on trade and development issues, and to defend their view points and negotiating and advocacy positions on issues of concern, prevailing and emerging in the international trading system and their relationship with development and poverty reduction.
 - To facilitate synergy between governments and civil society organizations (between and among the Northern and Southern stakeholders) to learn from each other and strengthen their collective perspectives and positions in the emerging debate on the linkages between trade, development and poverty reduction.
 - To advocate development-oriented trade policies, based on learning from research and other activities, by taking into account the interests and priorities (needs and aspirations) of the poor and marginalized sections of society and look into the aspects of policy coherence.
3. The project did not have a Logical Framework or Results Matrix, which made it difficult to look for specific intended results and corresponding indicators under each of these objectives.
4. The project consisted of the following **activities**:
 - Preparation of country background reports and sector case studies
 - Preparation of Briefing papers on trade issues

- Preparation of Advocacy materials: campaign kits and international advocacy document
- Outreach/ Dissemination through National Dialogues, Regional Conferences and International Conferences

1.1.2 Project Countries and Partners

5. The project was implemented in 15 countries spread across Asia, Africa and Europe as listed below:
- North Asia: China
 - South East Asia: Cambodia, Vietnam
 - South Asia: Bangladesh, India, Nepal, Pakistan, Sri Lanka
 - Eastern Africa: Kenya, Tanzania, Uganda
 - Southern Africa: South Africa, Zambia
 - Europe¹: Netherlands, United Kingdom

Table 1. TDP Project Partners

Country	Partner1	Partner 2
Bangladesh	Unnayan Shammannay	
Cambodia	Economic Institute of Cambodia	
China	National Economic Research Institute	
India	CUTS Jaipur	
Kenya	Kenya Institute for Public Policy Research	Institute of Economic Affairs
Nepal	SAWTEE	Forum for Protection of Public Interest
Netherlands	South-North Federation	
Pakistan	Sustainable Development Policy Institute	National Institute of WTO and Trade Laws
South Africa	Southern African Regional Poverty Network	Institute for Global Dialogue (changed)
Sri Lanka	Institute of Policy Studies	Law and Society Trust
Tanzania	Economic and Social Research Foundation	
Uganda	CONSENT	DENIVA
United Kingdom	CUTS LRC	Overseas development Institute
Vietnam	Centre for Development & Integration	

¹ There were fewer activities in Europe compared to the other countries, as the main thrust of the project in Europe was to raise awareness among policy makers and the development assistance community, based on the learnings in the developing countries participating in the project.

Zambia	(CDI) CUTS ARC	Organizational Development and Community management Trust (ODCMT)
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Source: Project Proposal

6. In all the project countries, CUTS identified partners having considerable credibility in either research or advocacy on trade and poverty issues. In some cases, two partners were roped in, one contributing to the analytical content trade issues: background studies, sector case studies and the campaign kits, etc; and the other contributing to outreach, dissemination and advocacy actions. In a few countries, the partners originally identified at the time of the project proposal could not eventually be signed on, and new partners were brought in before the launch of the project. Wherever CUTS has its own resource centres, some activities were undertaken by these centres too.

1.2 Nature of Intervention, Activities and Financial Envelope

7. The project aimed to engage the attention of domestic and international stakeholders, particularly policy makers, development partners and civil society representatives, to the numerous and different manifestations of the linkages between trade, development and poverty, using stakeholder perceptions and other evidence in the project countries, and to contribute to the creation and implementation of a trade (and other) policy environment that delivers benefits toward the cause of poverty reduction. The project design consisted of the following types of activities:
 - Background assessments of liberalization experiences and case studies in selected sectors affected by liberalization, drawn from stakeholder perceptions
 - Analytical papers on trade policy issues, including new areas like Aid for Trade
 - Synthesis of key messages toward a campaign seeking a more effective, pro-poor trade and development policy
 - Outreach and advocacy through high profile national, regional and international events
 - Widespread dissemination of the project’s outputs through physical and e-distribution, in the project countries as well as key actors in international trade policy circles, and the development assistance community
8. The project entailed a budget of **€2,302,650**, or **£ 1,611,855**, spread across four years, and was accepted for funding by two donors: DFID, UK; and the Ministry of Foreign Affairs (MINMUZA), The Netherlands. MINBUZA agreed to fund **€1, 500,000**, or **£ 1,050,000**, representing close to 65% of the budget, and the rest was committed by DFID. The year-wise allocations budgeted by activity and time periods were as follows:

Table 2. TDP Project Budget Breakup, in €

Description	Jan-Mar 2005	Apr 2005- Mar2006	Apr 2006- Mar2007	Apr 2007- Mar2008	Apr 2008- Dec2008	Total
Personnel costs	16,125	64,500	64,500	64,500	48,375	258,000
Perception Surveys	45,000	10,000	-	-	-	225,000
Travel & Networking	3,125	12,500	12,500	12,500	9,375	50,000
Meetings	100,000	250,000	400,000	500,000	250,000	1,500,000
Advocacy/outreach	1,750	6,250	81,250	6,250	54,500	150,000
Overheads	8,300	25,662	27,913	29,163	18,612	109,650
Evaluation	-	-	-	-	-	10,000
Total	174300	538,912	586,163	612.413	390,862	2,302,650

Source: Project Proposal

9. As informed by the project's accounts, the finally agreed project funding from MINBUZA and DFID were **€1, 500,000** and **£ 500,000** respectively, and actual disbursements have been **€1, 388,786**, and **£ 500,060**.
10. The major activities in the project were: development of country background studies and case studies of perceptions of the effects of trade liberalization in two sectors in each country, holding of national, regional and international conferences based on the project's findings; release of campaign kits for advocacy on strengthening the linkages between trade, development and poverty reduction. These activities consumed **close to 84%** of the project funds. Meetings and Conferences were the biggest budget item in the project, accounting for 65% of the entire expenditure.

1.3 Current Status of the Project

11. The project is scheduled to end in December 2008, and at the time of evaluation, activities had been either completed or were close to completion in all the countries taken up for field evaluation. According to the project management personnel at CUTS, Jaipur, most partners would have completed their activities by December 2008 in accordance with the schedule. Some of the partners (Nepal, Zambia) will complete their activities in January 09. Partner in South Africa will finish its country advocacy activities in March .The end of project report is proposed to be submitted in the first quarter of 2009, after the completion of the evaluation exercise.

2 REVIEW OF PROJECT ACTIVITIES

12. The project involved the following specific activities, some to be undertaken by the partners, and others, such as the regional and international events, to be undertaken by CUTS Jaipur:

By national partners:

- Country background studies: by an academic research institution
- Case studies of two sectors: by project partners and/or an research institution
- Preparation of Campaign kits
- National/ local dialogue events
- Press releases and media articles

By CUTS and its regional offices:

- Briefing Papers:
- Advocacy Document:
- Regional Capacity Development Workshops
- International Conferences:

In all, a large compendium of study materials has been generated in the project, and several conferences and seminars have been held across various geographic regions. In this section, an assessment of the contents of these activities/ outputs has been made, selecting a few representative items from each group. All this information has been provided either by CUTS Jaipur or accessed from the project's website www.cuts-citee.org/tdp.htm. New versions of some documents are under formulation but as these were not available for perusal at the time of the evaluation, all the observations are based on the versions presently on the public domain.

2.1 Country background documents

13. One of the first tasks in the project was the preparation of Country Background reports, which were commissioned to external experts from reputed economics research organisations, university faculties, etc. These reports were to provide an analysis of the path of economic and trade liberalization in the countries during the past ten-twenty years, the current state of trade performance, and key policy initiatives to develop trade and to secure the benefits of economic growth for the poorer sections.
14. In accordance with the project contract requirements, each Country Background document was required to address the following aspects:
- Policy Reforms and their adoption
 - Policies to improve market access, coherence (???)
 - Results of policy actions on the ground
 - Fit between trade-related measures and overall policy of poverty reduction

- Evidence of effectiveness of existing measures
- Assessment of outcomes by government/ non-governmental institutions

No fresh research was to be undertaken and the background papers were to be based on authoritative secondary sources. Each partner was allocated US\$ 10,000 per background paper, which was paid out of the first installment remitted by CUTS. The background papers were reviewed internally by CUTS and the project partners, and formalized after due modifications based on the feedback received. Partners in most countries had finished their background reports by end 2005 or early 2006. The country background reports were also presented at the first National Dialogue events in many countries.

15. In 2007, as a key output of the project, CUTS published a compendium of the Country Background reports, along with an overview synthesizing the findings from the various reports, and coming up with a list of useful messages and lessons learnt from the diverse experiences of the thirteen cases. The overview was written by two eminent economists, Dr Mohammad A Razzaque, faculty member in the Dept of Economics at University of Dhaka, currently on deputation as Economic Adviser at the Commonwealth Secretariat, and Dr. Selim Raihan, faculty member in the Dept of Economics at University of Dhaka. Director of the South Asian Network on Economic Modeling, and currently on deputation to a leading university in the United States. The publication, a 300 page paperback titled **‘Trade-Development-Poverty Linkages: Reflections from Selected Asian and Sub-Saharan African Countries, Volume-I: Country Case Studies’** has been distributed widely to key policy makers, international institutions, trade experts, and civil society organisations all over the world. The second volume based on sectoral case studies is being printed and will be distributed on the same lines as the first volume.
16. Brief assessments of the country background reports for Bangladesh, India, Uganda, Vietnam and Zambia appear in the field visit reports in Annexure to this report. Additionally, the evaluator also perused the overview of the Country Background reports, and the key observations are as follows:
 - The selection of countries reveals an interesting mix: large and small countries; countries with sea routes and land locked countries; countries with stable economic growth rates and those with erratic growth; countries with robust export growth and those with dismal export performance; countries which undertook major domestic reforms unilaterally, and those which undertook them substantially as externally prescriptions. Each report has been authored by researchers of high repute in their respective countries, and this alone makes the synthesis very useful as a reading material for policy makers, trade policy researchers/ academics, donors and development institutions. Several conclusions presented in the overview are very interesting and insightful, and these are summarized below:
 - **Ownership of the policy regime:** it appears that countries that have undertaken reforms through domestic initiatives, e.g. China and Vietnam, tend to have succeeded most, due to the firm ownership over the policy regimes. Where this ownership has been shaky or incomplete, liberalization has had sporadic and non-uniform effects as found in some other countries in the project, particularly those that had to resort to Structural Adjustment Programmes. Even the experiences with the PRSPs of several

countries suggest that the basic nature of trade policy has not changed much, as PRSPs are much influenced by the need for donor support, and may not reflect deep rooted commitment to initiate reforms and to focus on implementation of agreed programmes and policies.

- **Export response to liberalization:** The premise that liberalization leads to the removal of domestic protection that induces anti-export bias in domestic sectors and leads to increased exports has not been borne out in many countries. This has been mainly due to the inability of many countries to address supply side constraints; lack of market information and trade linkages; and trade infrastructure; besides lack of entrepreneurship skills. To an extent, initiatives under Aid for Trade can address these issues, but trade policy alone does not stimulate export performance.
- **Initial distribution of endowments:** countries that initiated equitable distribution of endowments, e.g. tradable farm land rights in Vietnam; and farm land distribution under a collective farming system in China, were important ingredients in poverty reduction by enhancing the participation of these classes in trade in agricultural products. Such measures have been more difficult to implement in other countries, nevertheless the recognition of the importance of such measures is in itself an interesting lesson for pro-poor policy setting.
- **Easy versus difficult reforms:** Trade policy reforms have, by and large, been through fiscal and border-control measures (QRs, tariffs, export incentives, and so forth) but these have been the easier reforms to implement. The reform of institutions has been more difficult and challenging, and to an extent the reforms prescribed by SAPs even led to a neglect of some institutions that have a key role in development of productive sectors. China, India and Vietnam have benefited from networks of strong and well-resourced institutions to regulate, manage and monitor economic development at the macro as well as sector levels. In some countries, there has been a failure to build such institutions, due to financial and human resource constraints, and also due to weak governance mechanisms.
- **Role of Agriculture:** In some cases, pursuit of industrial self reliance and import substitution policies led to a discrimination against agriculture, which did not grow steadily, and even became more vulnerable after reforms (usually SAP led) such as removal of input subsidies, import liberalisation, etc. This had direct consequences on rural poverty in some countries. Even in countries whose exports are primary commodities, export growth stagnates in the absence of value addition and diversification. A productive and vibrant agriculture sector is important for poverty alleviation, given that agriculture is the largest employer in a large number of developing countries and LDCs.
- **Liberalisation and economic growth:** TDP countries experiences suggest that tariff protection is not the principal determinant of economic growth, as evidenced by high growth in some countries that remained relatively closed) or opened their markets selectively (India, Bangladesh). On the other hand, sub-Saharan African countries failed to post steady economic growth despite rapid and substantial liberalisation. It

is important to understand the conditions and factors, including accompanying reforms, under which trade liberalisation leads to economic growth.

- **Supply-side capacity and trade barriers:** Often, inadequate supply-side capacities and poor trade infrastructure restrict developing countries from harnessing available market preferences and increased export opportunities. Also, preferences often come with difficult-to-comply non-tariff considerations such as Rule of Origin, technical standards, etc. which do not enable exports from poorer countries, or in some cases, sheer discrimination against some regions (e.g. US preferences in textiles favoured some Asian suppliers over others). Therefore, global and regional trade regimes need to be development friendly in content as much as in intent to enable weaker countries to participate in international markets.
 - **Using policy space:** The experience of countries like India, Vietnam and China substantiates the benefits of judiciously using policy space to spur development of domestic sectors. Unfortunately, several other countries have not used this policy space in the best possible manner. This policy space is steadily reducing for countries, and the proper utilization of the available flexibilities is absolutely essential if domestic productive capacities are to strengthen, and industrial and financial sectors become resilient to competition.
 - **Adjustment processes:** Trade liberalisation measures do not consider the distributional consequences of welfare gains, and potentially conceal the negative consequences suffered by the most vulnerable socio-economic groups. Safety net measures need to accompany trade reforms in order to insulate these vulnerable groups from the after-shocks of liberalisation.
 - **Political stability:** Political and social stability is a pre condition for promoting international trade, and countries which have had long periods of unrest have faced setbacks to trade, and domestic challenges do not allow them to respond to favourable external trade environments.
17. The overview concludes that trade policy is a fundamental component of development strategies for all developing countries that try to combine high growth with employment generation to reduce poverty. Trade openness, which was seen as a solution to the growth and poverty challenges, has had only modest results in many developing countries, and the search is still on for a new development paradigm that balances concerns of economic growth and poverty alleviation together.
18. The synthesis of the Country Background reports is a high-quality, highly insightful and practically actionable document, and deserves to be widely disseminated and resultantly deliberated upon, not only under this project but under any awareness generation campaign relating to pro-poor development policies. It is also presented in such a manner that one does not need to read all the country reports to appreciate its messages. This makes it a very powerful dissemination product for policy makers. Unfortunately, it has not received the visibility and attention it deserves, at all levels in the project. *This aspect will be expanded on in the results assessment sections in Chapter 4.* A combined document of the overview chapters of the first and second volume will be printed and distributed at the end of the project, by post as well as electronically.

2.2 Case Studies (Stakeholder perceptions in sectors)

19. Chronologically, the second set of activities in the project was the Stakeholder Perception surveys in two sectors in each of the project countries. The surveys aimed to collect perceptions, particularly from grassroots stakeholders, on the impact of (trade) liberalisation on their livelihoods and markets. The selection of the individual sectors was left to the project partners, with an overall guideline: in one sector the poorer stakeholders should have been benefited from trade reforms, whereas in the second, benefits from trade reforms have either not materialized or flown down to these sections. These studies were undertaken by project partners in most countries, and by the other research partners in others.

Table 3. Country-wise case studies (sectors)

Country	First Sector	Second Sector
Bangladesh	Readymade garments	Cell phones
Cambodia	Garments	Fisheries
China	Agriculture	Home appliances
India	Oilseeds	Carpets
Kenya	Telecom	Cotton textiles
Nepal	Garments	Tea
Pakistan	Telecom	Cutlery
Sri Lanka	Garments	Textiles
South Africa	Clothing	Tourism
Tanzania	Fisheries	Cotton and Textiles
Uganda	Dairy	Maize
Vietnam	Shrimp	Footwear and garments
Zambia	Agro processing	Textiles

Source: case study reports

20. Not surprisingly, the same sectors appeared in a number of countries, given the patterns of trade from developing countries in general. Nine of the thirteen countries selected textiles and clothing as one of the sectors, five countries chose some subsectors of agriculture and three countries selected fisheries, including shrimp. A surprise entry was telecom, which was selected by three countries Bangladesh, Kenya and Pakistan. The selection of similar sectors by several countries, though fortuitous, can be considered an excellent opportunity for the project to understand the contrasting experiences in these countries, and seek insights as to the causes for either a good or a poor result from trade liberalisation and reforms.

21. The evaluator studied the case studies of five countries in detail, and cursorily overviewed the others. Unlike the country background studies which were of uniformly good quality, many of the perception surveys were found to be rather weak, lacked analytical depth, and some even had faulty methodologies. The biggest lacuna in the perception studies was that in most of the cases, their coverage was so light that these cannot be considered representative of the stakeholders: in many cases, less than fifteen people formed the sample of respondents. The evaluator also found evidence of incorrect selection in some cases: sectors that were claimed as having negative impacts from trade liberalisation were actually delivering better results for poorer stakeholders in some cases or that the problems were not caused by trade liberalisation itself (case study of oilseeds in India); while in some other cases, the benefits that were suggested did not flow from a policy initiative, or were too general to be taken as a targeted benefit for stakeholders (case study of cellular phones in Bangladesh).
22. Another major weakness of several sector case studies was the inadequate consultation with the other main stakeholders: line ministries, trade ministry, sector institutions, industry associations, and private sector actors. Many of these stakeholders were not engaged in detail in the perception surveys and in several cases, the final draft documents were not circulated for their inputs and comments. This detracts from the consultative character of any credible fact finding exercise and advocacy campaign, particularly given the traditional lack of mutual trust among civil society representatives and private sector, and to an extent, government as well. More specific to the project itself, this lack of proper involvement of other stakeholders is likely to attenuate the advocacy and policy influence of the project within the country, on issues of credibility. It has also not helped that many of these surveys were prepared by people with little or no sector level knowledge or expertise.
23. Among the countries visited, Bangladesh stands out as the best practice example in the involvement and consultative process used by the project with all the major stakeholders; in fact, the case study was co authored or received substantial inputs from the Bangladesh Garments Association, the apex industry body in the largest export earner for the country, and an agency having considerable influence with government in setting policy directions at the sector level as well as at the macroeconomic level. As a result, the surveys received due endorsement for serious consideration by the policy makers as well. The Bangladesh example is also important for another reason: the project partner, Unnayan Shamannay, despite being a major opinion maker, does not have adequate trade and industry expertise, and it was judicious to work with suitably specialized agencies to develop the perception survey. Despite similar conditions, most other partners did not choose to do so, in the process, the quality of the analysis has been compromised.
24. Methodologically, the best practice example was found in the Uganda case studies. The case studies used the framework proposed by Alan Winters (2000), and considered different aspects of effects of liberalisation, such as impact on:
 - Economic growth and stability
 - Households
 - Markets

- Wages and employment
- Government revenues and spending

This framework provides a well rounded consideration of the results from liberalisation, and the trade-offs across various stakeholders, and does not have an inherent bias depending on the stakeholders considered for analysis of perceptions. The use of such a standard framework would have benefited the other studies as well. Perhaps this was not possible because there were no prior consultations with the partners on the methodology and process guidance to be used for the case studies.

25. Unlike in the country background studies, the sector case studies remained isolated and bereft of the gains from inter country comparisons, and synthesis of the key lessons. Even if such a study were not possible, other simpler actions could have been taken: for instance, an exchange of experiences in the same or similar sectors, facilitated by trade participants in the project countries. This cross-fertilisation- one of the main objectives of the project- would have had significant advocacy potential. Unfortunately, again the loss of opportunity has been due to two causes: one, the design of the project, which did not provide for activities to formally share multi country experiences in similar sectors; and two, non-involvement of the very stakeholders (private sector players, industry/sector bodies and line ministries) who would have benefited most from the comparisons. On the other hand, such inter country comparisons have practically no or limited relevance for the grassroots stakeholders, given the narrower influence in the sector, particularly in international trade and market behaviour.
26. Another weakness of the case studies is that they are already dated, not having been updated since the initial findings in 2005. No attempt has been made to update the baselines in these sectors taking into account the subsequent changes in the international arena as well as important policy responses in the countries themselves. Indeed, a lot has changed in the sectors even during the project, and these changes have not been incorporated in the studies or in the advocacy events that have taken place since 2006. Examples include: anti dumping actions by EU against Vietnamese footwear; removal of quotas under the agreement on Textiles and Clothing implications on Vietnam and Bangladesh exports; and, in India, shortages in edible oil, massive increases in farm gate prices for oilseeds and removal of import duties, and their subsequent corrections in the market, etc.
27. Again, the explanation from partners is that no specific budgets have been provided for such updates, but this is a weak argument for any advocacy platform. The evaluator believes that such updates could have taken place easily through the partnership and involvement of industry bodies, which are at the forefront of all major actions and policy responses, besides monitoring industry and trade performance data for the sectors. The lack of such partnerships is also partly due to the ideological positions that CSOs are perceived to have on trade issues, and, resultantly, a lack of mutual trust as explained earlier. This is a key area for CSOs to work on in order to become more effective advocacy agents.
28. It is understood that the second volume of the Compendium of Case Studies is under completion, and perhaps, it would have a synthesis overview of these experiences. If not,

the case studies would have limited meaning in the long run. Overall, the project did not replicate the approach and rigour of the country background studies in the subsequent sector studies, and, as a result, some potential gains from these studies have been missed out.

2.3 Briefing Papers

29. Over the four-year duration, the project has produced 18 briefing papers, written by CUTS International staff and some by external experts, covering two major themes: (a) Trade, development and poverty linkages; and (b) Aid for Trade. The project website provides a ready reference to these documents, organized by the year of their publication.

Table 4. Briefing papers developed under the TDP

	Global Partnership for Development	Madhumati
2005	TrAid: What future for developing countries?	Francesco Rampa
	The TDP Project and Linkages with MDGs	Marianne Jacobsen
2006	SPS Standards and Developing Countries	Gideon Rabinowitz
	Trade Preferences: Furthering Development or Political Interests?	Francesca Arcovita
	Moving from Preferences to Aid for Trade	Prashmita Ghosh
2007	Aid for Trade: Where we are and where we will go	Gideon Rabinowitz
	Aid for Trade; South Asian LDC perspective	Salim Reihan
	Duty-free, Quota free Market Access: A perspective from South Asian LDCs	Salime Reihan
	WTO, Trade, Development and Aid: Some misconceptions and myths	Faizel Ismail
	Globalization and Inequality: The Development Rationale	Prashmita Ghosh
	Integrated Framework for Trade Related Assistance: What is its role in tackling Poverty?	Gideon Rabinowitz
	2008	Trade openness: the only path to sustainable growth
	Upscaling Aid for Trade: a Kenya perspective	Gideon Rabinowitz
	From UNCTAD XI to UNCTAD XII: A Stock taking	Atul Kaushik
	Mainstreaming Development in the WTO: Developing Countries in the Doha Round	Based on a book by Faizel Ismail
	Aid for Trade: The process so far, but what next?	Gideon Rabinowitz
	Trade as a tool for employment generation	Based on the TDP project learnings

Source: TDP website

30. The briefing papers, along with the country background documents, are the ‘intellect’ of the project, and reflect the analytical contributions of the project to the debate on trade, development and poverty reduction linkages.
31. The themes in the briefing papers are global, and extremely focused on two issues: the mainstreaming of development in the international trade agenda, and Aid for Trade. Of the 18 briefing papers, 7 are devoted to Aid for Trade, understandably so, given that this has been an outcome of the Hong Kong Ministerial, and was seen as the main instrument for channeling trade related assistance commitments from developed countries. The readers most likely to benefit from these papers are the trade negotiators themselves, policy makers from key ministries, non government actors that are members of key policy committees, private sector industry associations, trade advocacy networks, donor bodies, and multilateral institutions themselves. However, they are also likely to be useful reading for universities as well as trainers providing generalized trade related training programmes to the private sector. From this perspective, the wide distribution of these briefing papers is considered to be the key result of this activity undertaken by the project.
32. **Quality of the briefing papers:** In general, the briefing papers are of consistent, good quality, and present their arguments simply and lucidly. Some of the papers perused by the evaluator are:
- The TDP project and linkages with MDGs
 - Aid for Trade: the process so far, but what next?
 - Duty Free Quota free: a South Asian LDCs perspective
 - UNCTAD XI to UNCTAD XII; Stocktaking
 - Trade as a Tool for Employment generation

Key messages from these papers have been summarized below.

33. The TDP project and linkages with MDGs:

- There is no proven direct link between trade liberalization, economic growth and poverty eradication. Yet, it is widely believed that trade can work as an engine of growth and consequently for poverty reduction. But, as the trickle-down effect seems not sufficient, income redistributing systems and safety nets would need to be in place, if growth is to work for the poor.
- If the MTS is not supportive of pro-poor policies and does not foster socially equitable economic growth in developing countries, then it will certainly not make a significant contribution to global poverty eradication (MDG 1). Trade expansion can only be seen as a means to reach this end.
- The various trade agreements have implications for attainment of various MDGs. For instance, the Agreement on Agriculture has a great influence on achieving MDG 1, through effective and predictable market access to importing markets on one hand, and

through sufficient policy space to protect food security for the poor and strengthen competitiveness of the domestic agriculture sectors, on the other.

- Similarly, universal primary education is potentially influenced by the liberalization of services, while MDGs 5,6 and 7 related to health goals are influenced by TRIPS and public health policies of countries, as much as GATS, particularly mode 4 and mode 3 provisions.
- The MDG 8- a global partnership for development, promotes an open, rules-based and non discriminatory MTS, with special consideration accorded to the poorest and most vulnerable countries, including LDCs, land-locked and small-island developing states. However, a one-size-fits-all approach is unlikely to address individual challenges, and there is a need for context-specific special and differential treatment. The effectiveness of trade development assistance depends but on actual capacity building in the recipient countries, and not merely money changing hands. Also, developing countries need to come up with their trade related priorities and areas of intervention, addressing not only trade but also aid and debt partnerships.
- Localization of MDGs: while international trade policies and rules can provide only a supportive framework for achievement of MDGs, the actual pro-poor policies need to be devised at national and regional levels. In this regard, the MTS can contribute through removal of trade distortions, while granting developing countries specific policy space they require for pursuing their individual development and poverty reduction agendas.
- Trade and MDGs must be considered holistically, and this must translate into cooperation between relevant policy makers- trade, agriculture, health, education etc; other stakeholders; and development partners.

34. Duty Free Quota Free: a South Asian LDCs perspective

- The paper reviews the exports of Bangladesh and Nepal in the context of the Duty Free Quota Free market access commitments undertaken (in the sixth Ministerial Conference of WTO members, Hong Kong, Dec 2005) by developed countries, to products originating from LDCs. The declaration requires such access on a lasting basis, to be in effect by 2008 or no later than the start of the implementation period of the Doha Round. Members with difficulties need to cover 97% of products –defined at the tariff line level- for DFQF, and make Rules of Origin requirements simple, transparent and preferential for LDCs to enhance their market access.
- Despite the existence of several market access instruments- the GSP from 13 countries, exports from LDCs remain insignificant in world trade. In 2003, LDC exports accounted for less than 0.7% of world trade, a level that had remained almost stagnant for over twenty five years. Even this export is skewed: only three LDCs- Bangladesh, Angola and Cambodia account for a majority of total LDC exports.
- The EU and US are the major destinations for exports from both Bangladesh and Nepal. Manufacturing exports- mainly readymade garments- represent 90% and 70% of Bangladesh and Nepal exports, respectively. Exports to the EU enjoy DFQF access for

almost all products, but attract strict rules of origin requirements. On the other hand, exports to the US attract high import tariffs. High tariff barriers also exist in a number of advanced developing country markets like Brazil, China and India, which impede exports from Bangladesh and Nepal.

- The study uses the GTAP model to analyze implications of three different scenarios on Bangladesh and other LDCs collectively: a) a 100% DFQF access to LDCs only in developed countries; b) a 100% DFQF access to LDCs in developed countries as well as in advanced developing countries; and c) a 100% DFQF access to LDCs only in the US. In all the three scenarios, Bangladesh is seen as the principal beneficiary of the liberalization (\$ 498 m to \$ 548 m welfare gain), and most of the gains arise from the enhanced access into the US market. The welfare losses for developing countries are not high, despite the huge welfare gains for LDCs.
- The paper argues that DFQF status is not enough, and the numerous Non Tariff Barriers (NTBs) pose a formidable barrier to tap the market access potential that exists. LDCs need to also negotiate their exclusion lists, to include some of the high-tariff exports under the DFQF umbrella. LDCs should also seek to exclude non LDCs under similar stages of development, from seeking similar benefits under DFQF. Finally, all the GSP schemes for LDCs should be brought under the ambit of the relevant special and differential treatment provisions of the WTO agreements.
- Again, the useful conclusions from the briefing paper do not seem to have been picked up for advocacy in the project's networks, particularly in countries involved in EU EPA negotiations (Zambia, Kenya, and Uganda). Though CUTS resource centres and other network partners have been involved in consultations on the negotiations, no country specific assessments of gains from DFQF for key export products seem to have been initiated, despite the presence of appropriate human resources in the academia and research communities.

35. Aid for Trade: the process so far, but what next?

- The paper reviews the progress of Aid for Trade (AfT) since the Hong Kong Ministerial, at which number of donor countries made commitments to upscale their support for trade related assistance. The AfT task force report, submitted in 2006, highlighted that support needs to be provided in a broader range of trade related areas: trade policy and regulations; trade development; trade-related infrastructure; building productive capacity; trade-related adjustment; and other trade-related needs.
- Analyzing gaps in the AfT's existing approach, the task force has made a number of recommendations to strengthen both demand and supply sides of AfT. On the demand side, the main recommendations are: implementation of the recommendations for the Enhanced Integrated Framework, and establishing a similar facility for non-LDCs; effective national coordination to identify needs with involvement of all stakeholders; systems for data collection and analysis; and urging development institutions to work together with regional banks and organizations to identify regional, sub regional and cross-border needs.

- On the supply side, main recommendations to aid providers are: integrate trade and growth issues more effectively in aid programming; strengthen trade expertise in field and in capitals; move toward sector/ programme/budget approach if country owned, if mainstreamed in national development strategies and if a robust financial accounting system is in place; make targeted funds available for infrastructure and removing supply-side constraints; and consider channeling AfT funds multilaterally when appropriate.
- Other recommendations aimed at strengthening the linkages between demand and supply sides are: Integrating trade more effectively into national strategies with donors aligning support to such strategies; establishing national AfT committees; and promoting involvement of local, regional and private sector actors.
- The review of the AfT in 2007, pointed out that a precise definition of AfT is not yet developed, which denies an accurate measurement of AfT support, using existing data categories used by the OECD. Donors are doing their own measurements and there are variances in the methodologies used to report their AfT support.
- Aid levels have remained stagnant and may even have reduced in 2007, causing concern that the promised up-scaling may not materialize, including by the EU. Donor strategies are still under formulation. Regional issues are receiving increasing attention but financing and governance mechanisms still require significant attention. Recipients need to become better demandeurs, and much work is to be done to integrate trade effectively in national development strategies.
- In absolute volume, AfT levels need to remain high to ensure that trade development is sustainable. And, there is a need to ensure that upscaling of AfT does not impact on social sector funding. The briefing paper provides a very useful background for the TDP project's national partners to pick up AfT related advocacy to demand effective implementation of the PRSPs and also direct donor support negotiations toward the TRTA areas that are identified under the national export strategies. Yet, this does not seem to have been picked up for network events or engagement with the policy makers in the countries visited for field evaluations.

36. Trade as a Tool for Employment generation

- From an advocacy point of view, this is a very useful briefing paper, as it draws out the contrasts among four countries that pursued different paths under trade liberalization and attained remarkably different results in terms of employment creation through trade expansion. The paper draws from the research done under the TDP project itself, using the examples of manufacturing sectors in Bangladesh, Vietnam, Kenya and South Africa.
- The paper begins by postulating that any liberalization impacts employment primarily through three channels: changes in the **scale** of production; changes in **composition**, i.e. relative sizes of sectors by removal of output and consumption constraints to fully utilize factors that are more abundant; and third, the **process** effect of trade leading to adoption

of new technologies which influence labour productivity. Together, these effects might add up to give a net positive or negative change in employment.

- All the four countries studied underwent significant changes during the 1980s and 1990s, and three (except Kenya) experienced significant increases in their ‘trade openness’ indicators (trade as a % of GDP). Kenya showed no change in openness during 1980-2000, while South Africa and Bangladesh improved their trade openness indices from 38% to 50%, and Vietnam, from 30% to 105%.
- The extent of liberalization as well as the instruments used varied among these countries. Bangladesh and Vietnam followed similar approaches of import tariff reduction, and aggressive export promotion of low skill labour manufactures, through vigorous export incentives. On the other hand, South Africa and Kenya, while liberalizing imports, did not actively pursue export promotion strategies particularly labour intensive exports. South Africa even disbanded its Export Incentive systems in the mid 1990s.
- Import liberalization and export promotion became complementing components of an employment creating growth strategy for both Bangladesh and Vietnam, which resulted in their better performance in employment creation through trade. In both these countries, labour intensive items dominate the export basket, using the preferential market access opportunities available to them. Their share of exports has steadily increased over the past twenty years, to 90% in case of Bangladesh and 58% in case of Vietnam. In contrast, during the same period, labour intensive exports grew in South Africa and Kenya by merely 12% and 5% respectively, and their relative contribution to exports did not change either.
- Both Bangladesh and Vietnam had very large ‘scale effects’ of employment growth, by converting small increases in magnitude of exports to large increases in employment. However, Bangladesh also had a large positive composition effect, as it adjusted to export opportunities by changing its export basket in favour of labour intensive exports. The overall export growth remained high, and was able to generate net positive employment even after induction of new technologies that enabled higher productivity. However, Vietnam moved sooner toward more capital intensive exports, led by foreign direct investment and by adding new export products (leather footwear, electronic assemblies, etc), that required larger investments in machinery per unit of output.
- The significant lessons from this briefing paper should have been highlighted and used more actively in the campaigns as well as advocacy network events, which does not seem to have been the case in most member countries.

37. UNCTAD XI to UNCTAD XII; Stocktaking:

- UNCTAD is the primary UN agency for the integrated treatment of all trade and related development issues. It carries out its functions under three pillars: policy analysis; intergovernmental consultations; and technical cooperation. UNCTAD has continued to enjoy considerable trust and confidence from the developing countries since the creation of the G-77, the bloc of developing countries.

- On trade and WTO related issues, UNCTAD has carried out both donor and demand-driven capacity building programmes on Aid-for-Trade (AfT), NTBs and some service sectors and held general workshops etc., on issues under negotiations. Specific inputs to the developing countries for the negotiations are, however, very few. In accordance with the recommendations of SPC on the last theme entitled, ‘Partnership for Development’, UNCTAD has organized hearings with the civil society and the private sector, apart from many informal exchanges between the Secretariat personnel and the civil society. UNCTAD has had to raise extra budgetary funds for inviting civil society participants for these events.
 - UNCTAD XII, the agency’s 12th Conference held in Accra in April 2008, had four themes: Addressing the opportunities and challenges of globalization for development; Enhancing coherence at all levels for sustainable economic development and poverty reduction in global policy making, including regional approaches; Key trade and development issues and the new realities in the geography of the world economy; Enhancing an enabling environment at all levels to strengthen productive capacities, trade and investment: mobilizing resources and harnessing knowledge for development; and Strengthening UNCTAD: enhancing its developmental role, impact and effectiveness.
 - According to the author, UNCTAD is at a cross roads. On the one hand, its regular work, particularly its periodical reports like the TDR and WIR, as well as much of its technical assistance programme is either the only or the most important input for national level policy makers in many developing countries and hence a much needed activity, on the other hand the impact of the juggernaut of globalization is being felt slowly but surely in these countries and the current activities of UNCTAD are falling woefully short in addressing related opportunities and challenges UNCTAD is meant for developing countries.
 - The changing economic landscape demands a more pointed delivery from UNCTAD that not only becomes a veritable economic and trade policy input at the national and regional level for developing countries but also adapts to the specificities in each developing country and produces tailor made outputs.
 - UNCTAD also has to acquire a new supporter in the civil society if its work is to attain the desired spread and levels, and if the average citizen of developing countries is to develop a confidence in its wisdom.
38. Distribution: The advocacy list of the TDP project contains 653 database entries, listing key recipients of project newsletters and briefing papers in the partner countries. However, according to CUTS, the project’s materials have been distributed electronically to over 22,000 persons, worldwide.
39. Given that these briefing papers strengthen the body of research on relevant trade issues, their utility of briefing papers lies in their wide readership and longer-term use by the research and advocacy communities all over the world, even after the project has come to an end. However, many project partners have not updated their websites to carry sufficient materials on the TDP, thus limiting the reach and dispersion of the knowledge that has been compiled in the briefing papers. The continuance of the TDP website after the project is also an issue that will determine the long term utility of these papers.

40. It needs to be recognized that dissemination does not automatically guarantee readership, and it is the evaluator's contention that less than five persons (mostly those associated with the writing/ peer reviews of these papers) would have read all these documents. However, nearly everyone met by the evaluator recalled receiving 'some articles and newsletters' from the TDP. The real utility of these briefing papers is likely to emerge only during an issue-specific research, for instance 'Aid for Trade.' It is important to ensure that these have high recall value at such occasions, either showing up on the top views of a search engine, or by linking the search to the CUTS archives. Additionally, a full compendium of the briefing papers should be compiled and the hyperlinks should be emailed widely.

2.4 Campaign Kits

41. Based on the stakeholders perceptions, Campaign kits were to be designed by local partners in English and local language, containing useful but simply illustrated themes showing the linkages between trade and poverty reduction, in order to enhance the awareness of the layman. These were also to be used by media to disseminate the findings and concepts widely in the print and electronic media.
42. Campaign kits were targeted for distribution to at least 1000 persons in each of the project countries, i.e. 15000 persons across all the project countries. These were distributed as handouts at the national dialogue events held in the project countries, as well as in other events organized by other civil society networks attended by CUTS or its partners. The campaign kits cost \$5 apiece including production and distribution costs.
43. **Content and quality of Campaign kits:** There is enormous variation in the content as well as quality of the kits produced by different countries, which makes it difficult to assess their usefulness. More important, kits produced by different partner countries seem to focus on different stakeholders, ranging from the absolute layman- to the better-informed policy maker to the student/academic community. Given that these materials are to be used in advocacy campaigns, it would appear logical to assume that the intended target recipients and users of the kits would include the less-informed stakeholder groups, such as producer groups, persons engaged in informal sector, media persons, as well as civil society organizations working at the grassroots levels. Given that the project has also been designed to produce copious analytical outputs- briefing papers, etc., campaign kits actually serve as primers and introductory materials for the appreciation of the trade- development- poverty linkage, using local realities as the backdrop.

Table 5. Campaign kits developed under the TDP

	<i>Contents in brief</i>	<i>Usefulness as a campaign tool</i>
Bangladesh	The kit's title is "Trade Made Easy". It is essentially a description of WTO and trade jargon, which can be understood by students, media persons and anyone without any knowledge of trade issues. However, it does	The design deviates from the objective of the Campaign kit. Useful as a basic reference on trade terms, but not a campaign tool.

	not draw out any debate on the T D P linkage, which was supposed to be its purpose.	
Cambodia	Title: Understanding Trade, Development and Poverty Reduction: gives simple and well-illustrated definitions of trade, development and poverty using the national context, and provides a definition of pro-poor aspects of trade and development.	The kit is a very useful read for laymen, and first time readers of economic texts on the trade poverty linkages. The graphic illustrations of basic trade concepts are particularly useful. However, the kit does not have analytical rigour compared to some other kits, such as the one compiled in Tanzania.
China	The document is a summary of the project activities particularly the case studies. It does not conform to the purpose of the campaign kit.	Has not been formulated as a campaign kit, hence not useful as a campaign tool for the project sectors.
India	The kit's uniqueness is that it uses the seven messages from the Advocacy document in the context of the oilseeds and carpet weaving sectors studied in the case studies, and customizes these messages for the sectors.	The kit is useful as a campaign tool for the two sectors chosen, but is confined only to the seven messages as applicable to the sector. It is to be recognized that the seven messages by themselves do not hold all the answers to the poverty reduction challenge, and other sector-level interventions need to be examined for advocacy.
Kenya	The Campaign kit focuses on the GATS and its potential for employment and poverty reduction in Kenya, and does not draw from the project case studies – cotton textiles and telecommunications-as such. The document is also structured like a briefing paper, and does not comply with the intent of the Campaign kit.	Has not been formulated as a campaign kit, hence not useful as a campaign tool for the project sectors.
Nepal	The kit is written in Nepali,	
Pakistan	Not found on website	Link to be inserted
South Africa	Not found on website	Yet to be completed. South Africa turned out to be an exceptional case. CUTS entered into partnership agreement with a new partner to undertake project's proposed advocacy activities. There has been some political uncertainty in the country. Partner avoided any activity involving policy-makers/govt. officials due to election/new officials etc. All the activities will be over by February or latest by March.
Sri Lanka	The kit provides simple explanations for	The kit does not have any use as a

	several economic terms used in the project: trade, poverty, market access, etc., using data and some graphic illustrations. However, it does not draw on the project's case studies, nor does it delve into analyzing the T D P linkage, and therefore lacks any advocacy inputs.	campaign tool.
Tanzania	The kit has an eye-catching title: When does trade reduce poverty, when doesn't it, and why? The kit has an analytical framework to study the trade-development and poverty linkage, as well as the lessons from the case studies in textiles and fisheries sectors. The kit builds a logical argument by identifying eleven conditions that must be fulfilled for trade to lead to poverty reduction. It also examines the various routes through which enterprises, government and even poor stakeholders may manifest the trade- poverty dynamic to bring about growth and poverty reduction.	It is well written and illustrated and stands out as a best case practice in the TDP project. It is highly useful as an advocacy tool; however, the layman, particularly the less educated rural stakeholder, may find it a bit difficult to fully appreciate its arguments. It would have been an ideal kit if it had combined the simplicity of the Cambodian kit, while retaining its well developed content.
Uganda	The kit provides an assessment of Uganda's poverty eradication policies, and analyses micro as well as macro factors influencing the impact of trade on poverty reduction. It also contextualizes the debate in the agriculture sector, which involves a large share of poor sections, and presents the importance of ensuring that these stakeholders participate in trade-generated economic activities, and engage in production of tradable goods and services, for domestic and export markets.	The kit is more useful to civil society advocacy groups than to other stakeholders, as it focuses on specific policies and provides specific assessments of trade policies, development strategies, investment needs in infrastructure, and other cross cutting issues such as environment sustainability.
Vietnam	The kit mixes a number of themes, including international trade agreements, ODA assistance, besides the two sectors covered in the case studies. The conclusions and advocacy actions are rather generalized.	Does not come across as a forceful advocacy campaign input. However, it is a simple and well presented document.
Zambia	The kit is merely a summary of the country background report and the case studies, and does not elucidate the T D P linkage at a conceptual level, unlike some of the better kits. This limits its usefulness to the layman.	Does not serve beyond a background on the TDP project itself.

Source: excerpted from Campaign Kit texts

44. **Local language translation:** To have wide readership particularly among local stakeholders, translation of the campaign kit into local languages was one of the requirements in the project. The languages proposed were: Bengali, Ceylonese, Hindi, Khmer, Malaya, Nepalese, Swahili, Urdu, Vietnamese and Zulu. With the exception of Bangladesh and Nepal, no local translations of the advocacy document seem to have been followed in the project. It is understood that the project partners felt that local language translation would not be effective and therefore translations were not done.
45. **End use:** The campaign kit is directed at several stakeholders:
- State and national level policy makers and politicians;
 - Export councils, business representatives, employer's associations, and trade unions;
 - Civil Society Organisations (CSOs) and NGOs working at the grassroots level;
 - Academia, experts and students; and
 - Anyone interested in globalization and trade justice.
46. This can be challenging, given the differences in the level of awareness and conversancy with trade issues, among these stakeholders. Therefore, it is difficult to expect the kit to be found equally useful or applicable to all these groups. However, as some of the kits have shown, it is possible to build robust arguments using the national/ local context, and yet explain the concepts through simple texts and illustrations. The kits produced in Tanzania, Cambodia and Uganda are considered the best examples, although the ideal kit would be one that combined the best features of all three. The kits were supposed to have been updated in 2008, which could have been used to standardize their approach as well as content forms, but this was not done. The evaluation recommends that all kits and case studies be updated for an end-of-project version, so that the lessons from the project can be more relevant and useful for future interventions.

2.5 Advocacy Document

47. The advocacy document titled 'Strengthening the Linkages between Trade, Development and Poverty Reduction' is a compilation of seven messages, emanating from the project's research and experience, most importantly the country case studies. The seven messages are:
- Strengthen labour intensive sectors
 - Ensure the benefits of growth work against inequalities
 - Strengthen domestic policies
 - Demand for government policies promoting human development through trade
 - Consider the importance of economic integration and spillovers for the poor
 - Work with a realistic market analysis, and
 - Establish strong partnerships between relevant stakeholders.

48. Each message is explained through one chapter, drawing from examples and anecdotes appearing in the various country case study documents. The main points of each chapter are enumerated below:

49. Strengthen labour intensive sectors:

- In developing countries where labour is abundant, labour-intensive industries play an important role in poverty reduction.
- Choice of labour-intensive rather than technology-intensive approaches can significantly increase employment in trade creating sectors, for less-skilled persons, including from rural areas (e.g. textile sectors in China, India, and Bangladesh). On the other hand, scarcity of alternative opportunities heightens the vulnerability of the poor, as is possible from some forms of trade liberalization (textile sectors in Kenya, Nepal).
- Where there is surplus labour and insufficient employment opportunities, increases in employment levels do not necessarily lead to wage increases or improvement in living conditions. Similarly, inelastic labour supply amidst increasing exports can cause technology intensive production which eventually reduces employment levels, as observed in farming as well as textile industries in some countries.
- Efficient labour markets enable labour mobility across sectors. Structural shifts in industrial and trade sectors require adjustments and interventions to redeploy the labour among various sectors, by improving employability through training and also through providing incentives for retraining and absorption of displaced labour in new areas.
- Sometimes, flexible labour has a positive impact, by offering complementary income sources, as found in several informal sector examples (carpets in India, tea plantation in Nepal).
- In many countries, trade liberalization has led to an increase in share of informal sectors, due to the need for flexible and non-permanent production regimes. However, these opportunities also bring with them greater risks from non-regulation and absence of safety nets, besides a planned longer-term sector development approach involving the state.

50. Ensure the benefits of growth work against inequalities:

- One of the criticisms of liberalization has been that, in many countries, economic growth has been accompanied by actual increase in economic inequalities. Distribution of the benefits of liberalization has not reached all, due to geographic remoteness, lack of access to resources for the poor, and unequal power relations in the household. However, there are also positive examples, where new economic opportunities have been seized by people in remote areas, resulting in an improvement in livelihoods.

- In general, areas remote to markets receive little benefit from further liberalization, unless there is targeted support in marketing and infrastructure to reduce the regional and social variations. This has been successfully demonstrated by some countries in the tourism sector.
- In the past, decentralization and relocation of industries and service activities have been used to diffuse growth into remote and underdeveloped areas. However, increasingly, industrial activities are turning to casualisation of labour, and this affects the livelihood opportunities without offering any lasting or permanent benefits. This has resulted in labour migration out of remote areas rather than investments migrating into remote areas.
- In rural areas particularly, one of the conditions for trade growth is access to resources, and improvements in infrastructure services and connectivity. Private investment in production activities alone cannot result in growth in the absence of trade-related investments (e.g. milk production in Uganda). Though this investment has to come primarily from the state, some sectors have mobilized investments from other sources and accelerated their growth trajectories (e.g. Vietnam shrimp sector).
- The effects of poverty have been higher on women and children on account of unequal power relations in the household. The increased employment of women in some sectors, particularly textiles and electronic assembly industries, has facilitated a transformation in their economic and social status, besides improving aggregate incomes for their households. At the same time, there are some adverse effects as well: higher vulnerability to demand shocks, gender discrimination in wages and benefits, and social reprisal in based on perceptions against formally employed women workers.
- Liberalization has also widened the inequalities between small and large enterprise, given their relative abilities to seize new opportunities. SMEs tend to be less informed and less connected to international markets, and lack scale and capacity to become price competitive and assuring uniformly good quality of products on the export markets. Yet, given that SMEs account for a large share of industrial output in developing countries, it is important to support them in becoming export competitive. The role of state as well as international development partners is important in ensuring the growth of SMEs and their integration into the global trading system.

51. Strengthen domestic policies:

- Trade liberalization reforms cannot work as isolated measures, and it is equally important to address other domestic policies. Trade needs to be integrated into national development strategies, given the interconnections between economic growth and sustained development of human capital.
- In many countries, one of the effects of domestic liberalization was the dismantling of state-owned institutions engaged directly in trade, and the emergence of private sector enterprise. However, in the transition from a state-managed to open-market conditions, there has been an abdication of the developmental and regulatory role of

these state agencies, which has resulted in more negative than positive effects particularly on the living conditions of the poorer and more vulnerable stakeholders.

- In some countries, new institutions and regulatory bodies were created, with some becoming successful in supporting trade growth. However, lack of funding and capacities led to their failure in performing to their mandates and inability to support the sector's most vulnerable actors from exploitative practices of an unbridled private sector enterprise culture.
- Creating a favourable environment for trade requires simultaneous interventions in several areas: trade regulations, access to markets, reduction in transaction costs, overall business climate, investment and trade facilitation, fiscal efficiency, institutional development and improved infrastructure. Competitiveness implies that the business environment and markets are efficient for both producers and consumers.
- Governments can choose and prioritize sectors to protect them from import competition, according to the expected impacts on poverty reduction, employment creation or rural development, and also incentivize some sectors based on their livelihoods as well as growth potential. However, there are counter arguments that government should not target any particular sectors but should focus on overall productivity improvements across all sectors.
- Long term sustainable growth requires protecting and fostering human capital through strengthening education and health services. At the same time, safety nets are essential to support people who cannot win from further liberalization, or face higher adjustment costs arising from liberalization.

52. Demand for government policies promoting human development through trade:

- Market powers and chance must not determine the balance between trade benefits and human development, and the state has a role to play in promoting human development through trade, which alone is not a guarantee for poverty reduction. At a minimum, increases in government revenue through trade and open markets can contribute to pro poor measures and investments.
- Government interventions should not only be limited to financial resource direction to the poor, but also regulation of business practices which can lead to a detrimental situation for the poor. Wage regulations and labour rights are an important example of such interventions, to ensure a safety net - through minimum wage regulations - amidst highly elastic supply of labour as exists in several developing countries. Similarly, working conditions and human safety are important areas, in which both governments and markets can intervene to ensure that there are no adverse human development effects of employment arising from exploitative practices.
- Developing countries should also include and strongly position their poverty reduction objectives in trade negotiations, to promote fair and equitable trade, and fulfillment of the Millennium Development Goal 8 (Global Partnership for

Development). Negotiators in developing countries need to develop higher levels of skill and capacities for effective trade negotiations.

53. Consider the importance of economic integration and spillovers for the poor:

- The impact of a change in one industry needs to be understood not only in terms of total production in the related industries, but also in terms of the indirect jobs created by spillover opportunities, even though this is difficult to estimate.
- Economic backward linkages are important for poverty reduction strategies, as they frequently involve production of raw materials, often employing majority of poor people. However, under a liberal trade environment, increased reliance on imported inputs in some exporting sectors (e.g. garments in Nepal and Sri Lanka), can deny such opportunities. Increased backward linkages can eventually help to expand the entire sector competitively, as suggested in the agro processing sector in Zambia, and are therefore interventions to support intra sector linkages can be justified from a poverty reduction objective.
- Similarly, developing forward linkages can have positive results in terms of employment and economic growth, as demonstrated by the evolution of the maize milling/processing industry in Uganda.
- Other examples of positive spillovers have been presented using illustrations in tourism, telecommunications, and workmen remittances. *Although these examples show the existence of spillover effects, how these are being claimed as results of development strategy is not clear from the analysis presented. For instance, workmen remittances are an indirect result of the absence of job opportunities for low skilled workmen in the domestic market, which can be argued as a challenge and failure of planning, rather than a result of planned strategy for export of human capital...*

54. Work with a realistic market analysis:

- For countries to be able to reap the benefits of more open markets, people involved in trade need to have the capacity to understand markets. Too often, it is only after signing of agreements that some stakeholders realize the possible consequences of market opportunities.
- While identification of market opportunities is the first step, identification of obstacles to trade is equally important. Several preferential market access initiatives- AGOA, EBA, etc., have offered trade growth potential for LDCs and other developing countries. However, many supply side constraints and non-tariff barriers have posed obstacles to actually attaining the proffered market access.
- Lack of adequate productive capacities, technology, and quality standards are major hindrances in developing countries, resulting in disappointing results. Finally, preferences are not perennial and eventually developing economies must not overly lean on them and find alternative strategies for increasing competitiveness to face an erosion of preferences.

- Amidst scarce resources, the selection of priority sectors must be based on a careful assessment of their competitiveness and their potential to positively affect the lives of the poor, besides the identification of vulnerabilities of various stakeholder groups to shifts in trade preferences.
- It is often difficult to anticipate market behaviour and the consequent influences on weaker stakeholders. In some countries, liberalization resulted in the dismantling of marketing and distribution structures important to support agriculture production, which were not effectively replaced by the private sector. Proper sequencing and timing of liberalization is important to allow for the necessary capacity to set in during the adjustment process, and mitigate possible adverse effects and social costs arising from liberalization.

55. Establish strong partnerships between relevant stakeholders:

- Stakeholders in trade and development are greatly interdependent, given that economic growth depends a lot on trade, and poverty reduction depends a lot on economic growth. Good trade and development policy making requires broad consultation and participation of all stakeholders, and a transparent decision-making process.
- At the enterprise level, workmen need to be able to organize into collectives to obtain the most benefits, and deal more effectively with the other stakeholders. Similarly, enterprises need to partner with communities for sustainable supply chain linkages as well as community development to support growth and expansion requirements. And, public private partnerships can show the way to more effective implementation of essential public services.

56. The advocacy document provides a well rounded view of various factors that influence the poverty reduction impact of trade liberalization, giving a diversity of examples, both positive and negative, which can be used while considering policy alternatives aimed primarily at creating economic opportunities through trade liberalization. It is a high quality output from the project, and serves as a very useful and actionable document, which can be applied in policy making or in sensitizing policy makers and other stakeholders. It is equally useful for a number of stakeholders: academics, policy makers, donors and development institutions, and trade policy analysts. The evaluation considers it important to highlight and disseminate this document much more extensively than the 15000 copies that have been targeted under the project. It is a unique compilation, and is the flagship product of the project.

57. CUTS International has prepared a distribution list of over 22,000 persons, who regularly receive communications from CUTS, including materials developed under the TDP project. The list includes a postal mailing list of 16892 persons (as per the list revised in November 2008), and an e-circulation list of 9929. These include:

- Consumer organizations
- Donor agencies

- Civicus- Asia Pacific
- Geneva Trade Missions
- NGOs
- Foreign governments
- Press: India
- Press; International
- Members of Parliament

2.6 Media Articles

58. According to the partnership agreements, each partner was required to write and publish at least four articles of 1000-1500 words each year, in national and local press and send copies of these articles to CUTS-CITEE. This has not been fully adhered to by any partner, although Bangladesh has been the most prolific in the media, with 16 press articles produced under the project. The project website lists 36 media articles in all, of which 16 were developed in 2006. Several documents loaded on the site are not dated, and it was not possible to analyze the articles produced and released in 2007 and 2008.
59. Local dissemination of the project and its activities has been limited, and mostly confined to the national dialogue events. Given that one of the objectives was to sensitize stakeholders on the linkages between trade, development and poverty reduction, one would have expected to see several articles on the subject, including a short summary of the country case studies, and the key messages from the various briefing papers produced by the project. This has denied the project the high local visibility it could have attained on the basis of its unique multi-country work on the T D P linkages. The weak showing on media articles has also not been questioned in internal reviews particularly at the time of disbursements against completed activities. Because no specific funding was allocated for media articles, the non-completion of this deliverable did not attract any attention at the time of disbursements. However, according to CUTs, in many cases local dissemination was carried out but was not properly documented.

2.7 National Dialogues

60. According to the original project design, each partner was to organize, i.e. prepare and host one national dialogue during each year of the project, i.e. four dialogues over the entire duration of the project. The design also provided guidance on the themes of these dialogues:
- 2005: Project launch meeting at the country level
 - 2006: Release of the campaign kit
 - 2007: Coherence between trade and development policies
 - 2008: Coherence between national and international initiatives on trade, development and poverty reduction.

61. The events, of one-day duration, were to include the following participants:
- Politicians involved with development issues
 - Media persons writing on trade and development issues
 - Government officials from key departments (trade, development, planning, etc.)
 - NGOs working on trade and development issues (particularly pro poor issues)
 - Sector organisations (bodies representing sectors covered under case studies)
 - Representatives of inter-governmental bodies and multilateral institutions (UN, World Bank, etc.)
 - Representatives of embassies (particularly from development cooperation sections) and donor agencies
 - Academic/research institutions working on linkages between trade, development and poverty reduction
 - Representatives from similar initiatives
62. The national dialogues were designed as the principal advocacy platforms for the project in each of the participating countries. Therefore, the evaluation would expect to look for actual or potential influence of the project, particularly on trade and development issues in the sectors chosen for the case studies, as the key results of these dialogues.
63. In 2006, CUTS and the national partners revised the format, and agreed to hold up to three regional or local workshops, instead of the annual national dialogue. The evaluator was informed that this was done in order to disseminate the project's findings to grass roots stakeholders who could not be targeted through a single annual event held in the national capitals. Also, the increase in number of events was done without a change in the overall budget allocation, i.e. US\$ 10,000 per year. This meant that partners allocated less than US\$ 3500 for each of the regional events. It is understandable that such events could not attract the target participants of the national dialogue; as a result, there was no participation by government officials, donor bodies and academic research institutions. In some countries, events have not been held in 2008, due to lack of clarity on additional themes, and given that the previous year's events already discussed the project findings with local stakeholders.
64. The change of course from the focused national events aimed at advocacy, to a localized awareness generation exercise, is considered to be a failing of the project in one of its main objectives: advocating development-oriented trade policies, based on learning from research and other activities under the project. Many project partners defended that awareness generation should take place first before advocating for development-oriented trade policies. However, the evaluator considers it was not expected that beneficiaries were to carry out advocacy. Therefore there is no linkage between awareness generation for beneficiaries and advocacy actions directed at policy makers. As a result, the local awareness generation has come at a price: inadequate engagement with policy makers in the latter part of the project.
65. Another important feature of the National Dialogue as stated in the project proposal was the creation of National Reference Groups as an institutional arrangement for the dialogues themselves. These reference groups- by virtue of their fixed membership composed of the

target stakeholders (listed above) would have ensured continuity in the process of policy advocacy, by progressively building on the experiences and lessons learnt during each year of the project. Unfortunately, these reference groups were not created in any country. As a result, there was seldom any repeat participation of important influencers at the national dialogue events. Given that the project did not formally engage with key influencers on a one- to- one basis (even though CUTS resource centres and project partners have had opportunities to participate in stakeholder consultations through other initiatives as well), the in-country advocacy actions in the project have remained very feeble and, as a result, ineffective.

66. Another major drawback in the National dialogue process is the near complete absence of continued engagement of the project with the sector bodies, based on the evidence from the stakeholder perceptions and the sector case studies. With the exception of Bangladesh, project partners have not sought to discuss sector-specific issues and challenges faced by the poorer sections, with industry associations that have an equal and shared interest in trade expansion. According to the evaluator, this has been due to lack of industry-specific expertise and conversancy within the project, and the resultant lack of confidence in representing the issues before government line ministries as well as industry bodies in the sector. The fact that, in most countries, case studies were prepared without the active involvement of industry bodies also lent to doubts over the credibility of the findings and conclusions, and more importantly, did not secure the required buy-in for industry level actions spearheaded by the project itself. Together, the inadequacies in sector expertise and the under-engagement with industry have led to the project's efforts remaining a perhaps useful but nevertheless isolated exercise, without the advantages of leverage and synergies with the industry stakeholders, who carry a voice before policy makers.
67. The absence of due engagement with government and industry has also had some direct negative results for the credibility of the project itself, as substantiated by the following illustrations:
68. **India:** The key conclusion of the study on oilseeds was that increased imports of edible oils during 2002-2005 had the effect of lower price realization for mustard farmers in Rajasthan, given the inherent differences in cost of production of imported palmolein and locally crushed/ processed mustard oil. However, there have been significant year-to-year changes in the business landscape which contradict the conclusions of the study. For instance, in 2007, the government liberalized oil imports and scrapped the import duty on edible oils, as a response to rising commodity prices, including a 60-80% rise in wholesale market prices of oilseeds, including mustard seed. And, in 2008, the government is re-imposing import duties on imported edible oils, based on falling prices of domestic products. India has a traditional shortage of edible oil, despite its large agriculture sector. Despite technology missions to enhance production of oilseeds, the demand has grown faster than domestic production growth. To meet its demand, imports have been encouraged, with a preference for the low cost palmolein oil, and with sufficient tariff protection to the traditional oils produced in India- coconut, ground nut, mustard and soya. Applied tariffs have been always well below the WTO bound rates (45%, 85% and 300% depending on the oil), and India has invoked safeguard measures without any delay on numerous occasions. Government organisations also use market intervention operations to provide imported

vegetable or butter oil to the poorest sections, through the targeted public distribution system. At the same time, import of unrefined edible oils is allowed, whereas imports of oilseeds are prohibited. All these actions all reflect a balanced sector policy, under an overarching policy to keep the edible oil prices within reach of the consumer, particularly the economically backward sections. The project has not been able to capture this overall benign policy framework, nor updated the case studies based on key developments that took place in the tenure of the project itself.

69. **Bangladesh:** The case study on cellular phones has some basic shortcomings. Firstly, the arguments and the benefits that are presented are comparable to any other sector. For instance, the creation of a road between a village and an urban centre would have similar benefits as claimed by cellular phones in rural areas. The consumer welfare gains referred to in the project are not as much the result of policy- in fact the government collects a license fee and 5% revenue share from all operators, which is only growing with increased penetration of mobile phones. Nor are the tariff reductions on account of competition policies- in fact tariffs are decided by an independent regulator, and apply to all operators. Rather, almost all reductions in tariffs have been due to economies of scale and a more optimized use of the minimum fixed infrastructure to create a national service rollout. Such reductions are found in all developing countries: for instance, India has seen an 80% reduction in cellular tariffs in the past eight years, due to similar factors. Similarly, the argument that foreign owned companies account for a large share (over 60%) of the industry,
70. **Vietnam:** The study of the garments and footwear sectors, while highly relevant in the context of export contributions to the country, has a contradiction from the pro-poor perspective: There are nearly 2500 enterprises in these two sectors, most of which are SMEs. However, SMEs, who represent the most vulnerable business stakeholders, are practically unrepresented in exports, and the study quotes a research that less than 3% of SMEs in Vietnam are involved in export markets. Therefore, the significance of trade liberalization in these sectors to the weaker stakeholders is not amply clear, unless the SMEs are part of the supply chain for larger exporting enterprises. This too is contradicted, as the study mentions that there is an increasingly capital-intensive investment in these sectors, led by foreign investors, with highly integrated production processes. Further, the case study itself covers only 10 respondents: 3 in garments, and seven in footwear. Of these, three were state-owned companies. The main thrust of the study is on the impact of trade and trade related shocks (anti dumping actions by EU and US shown as examples) on migrant, particularly women, workers. There was no involvement of the industry bodies LEFASO and VINATEX in the preparation of the study, nor consultations with industrial workmen associations, which are the most vulnerable stakeholders in the sector. Given the legacy of a centrally planned system, very few agencies have the attention of the government on policy matters. Under such conditions, the project should have focused its advocacy actions even more intensively on influential industry bodies, particularly in these major export sectors.
71. **Uganda:** The dairy study covers developments arising from liberalization and their implications for different stakeholders and parts of the value chain: farmers, procurement agents, cooling and transportation infrastructure, the cooperative institutions, private sector

processors/ traders as well as the regulatory body itself. Maize: The dismantling of the state control institutions in the sector, and entry of speculative private sector operators that did not invest in the value chain, left the farmers vulnerable to price fluctuations. Poor regulation and absence of technological innovations restricted quality as well as price competitiveness, making it difficult for Uganda to generate an exportable surplus to take advantage of readily available export markets- Kenya, and procurements by the World Food Programme. The common conclusions in both studies are:

- Agricultural Marketing Structures and systems that assisted in transferring rural produce to organized markets were dismantled and never replaced effectively.
- The market structures that emerged after liberalization were largely informal with the quality of the private sector inadequate to effectively replace the structures that operated before liberalization.
- After liberalization, private sector did not make necessary investments in marketing infrastructure and with the necessary competencies to market farmers' produce effectively both domestically and internationally. Marketing systems remained largely informal and inadequate.

72. Uganda's case studies are well-researched and equally well presented with several anecdotes from the field studies, and the perceptions of the grass roots stakeholders speak out to the reader. The use of a theoretical framework to base the conclusions of the Uganda studies is also a **best practice example** for the project.
73. **Zambia:** The case study on textiles sector made the case for the need for government intervention to protect the domestic industry, based on the adverse impact of trade liberalization in the sector. However, government officials met by the evaluator questioned the relevance of textiles sector for the project, considering that Zambia did not have competitive advantages, and even Zambia's export strategy did not feature textiles as a growth sector. Therefore, there was no domestic vulnerability in the sector that required government intervention in trade policy. In the agriculture study, the coverage of the study was spread too thin, over many different product groups: staple grains, cotton, vegetables, processed products, etc., as a result the assessments remained very general and lacked deeper analysis into the state of competitiveness of these product groups and the challenges in participating in trade. The conclusions and calls to action are rather general, and reflect the non- involvement of any resource persons with relevant sector expertise. Further, they have not been subject to comments from key industry stakeholders, particularly the line ministries and industry/sector bodies involved. The findings are based on interviews with very few respondents (less than ten in each study), and cannot be termed representative of the majority and diversity of actors involved. This makes it even more necessary for the credibility of these studies to have the endorsement, validation or the rebuttal (as the case may be) by industry and government agencies concerned.
74. To a large extent, the isolation of the project from the sector-level stakeholders reflects the stereotype of the CSO community as a whole, oft perceived as the self-appointed sole representative of the weaker sections of society, and ipso facto a watchdog protecting their interests and rights vis-à-vis government, business and the more privileged sections. While governments increasingly recognize the importance and have strengthened their interactions

with civil society stakeholders, unfortunately, the absence of appropriate expertise does not support a constructive, argument-rich engagement in issues of pro-poor prioritization of policy and development resources. In the case of trade, particularly exports, the interests of business and CSOs are more aligned by the common external challenges; still there is not much evidence of collaboration and common positions. Ironically, as the evaluator learnt during the field missions, several CSO groups fear a dilution of their identity if seen as being in agreement or in unison with industry and government, and to an extent, the confrontationist posture is their hallmark. Unfortunately, such a posture takes its toll on the dialogue process with these other equally important constituents of the development triad.

75. **Participation at National Dialogues:** Based on the information available from various individual event reports and the project's annual progress reports, it is estimated that in all, less than 1900 participants attended national dialogue events over four years, across 15 countries: 1300 in Asia; 521 in Africa; and 36 in Europe. Cambodia, with 581 participants, had a disproportionately large share –almost 50%- of the entire attendance in Asia. This was due to the high participation of students.

Table 6. Attendance at National Dialogue events

Country	2005	2006	2007	2008	Total
Bangladesh	49	44 (EU, UNDP)	23 journalists	-	116
Cambodia	78	105	297 (13- ministries)	101(8 embassies)	581
China	16 (MOFCOM, JBIC, Foreign Affairs, ADB)	16	17	-	49
India	-	-	42 (Lucknow), 16 (Kolkata)	-	58?
Kenya	17 (Trade, Agriculture, DFID)	45 (Trade, KTPP)	-	-	62?
Nepal	65 (Commerce, agriculture, Rashtra Bank, ADB)	27 (media); 39 (budget discussions)	43	-	174
Netherlands	8 (Min Eco affairs, Minbuza)	nil	nil	nil	8
Pakistan	-	-	54	41 (several from Trade, Finance, other depts.)	95?
South Africa	-	-	16 (EU, UNDP)	-	16?
Sri Lanka	-	12 (Agriculture)	23 (Commerce, Board of Investment, UNDP)	28	63
Tanzania	51 (Trade, Finance, Industry, Standards, Cooperatives, World Bank, UNDP, DFID)	-	17(Agriculture)	15 (2 Government officials)	83
Uganda	60 (Trade, Standards Bureau, UPTOP, French Embassy, UNDP,	17 (Netherlands Embassy)	30 (none)	Nil	107

	EPOPA)				
United Kingdom	28 (DFID, Switzerland Embassy)	nil	nil	Nil	28
Vietnam	47 (Trade, Planning, Cooperatives)	59 (Netherlands, DFID, Chambers,); 29 media persons	29	Nil	164
Zambia	69 (Min of Trade, COMESA, Chambers of Commerce, AGOA)	35 (none)	27+21+23 (none)	15 (none)	190
Total	488 (max 600)	428 (max 500)	716 (max 750)	300	1844
Government officials	Less than 25	Less than 15	Less than 20	Less than 20	Less than 80 (<5% of all participants)
Donors/ embassies/ development institutions	Less than 20	Less than 10	Less than 10	Less than 10	Less than 50 (<3% of all participants)

** - indicates data not available on the TDP website, nor provided by project partners.

Source: compiled from event reports and progress reports

76. LDCs have managed to secure better levels of participation in the project events, and also a higher representation from government and donor bodies. Except Tanzania, which saw an aggregate of 83 participants in the national dialogue events, all other LDCs (6) received between 100 and 600 participants. Cambodia led others by a huge margin: in all, there were 581 participants at its events, of which more than half were students. However, even in absolute numbers, there was higher attendance by government bodies, international development agencies and donors, compared to other countries.
77. It is significant to note that the project's engagement with government and donor bodies has been rather low. Based on available data presented above, less than 100 government officials (less than 5% of total participants) and less than 50 donor/ development institution representatives (less than 3% of total participants) are estimated to have attended these events. Further, there has been a declining involvement of these key actors in the project after the first year. If the intent of the national dialogues was to sensitize and engage the policy support actors toward more effective and pro-poor policy actions, the representation of these groups ought to have been a lot higher.

2.8 Regional/International Events

78. In all, thirteen international/ regional events have been organized under the project to share the key messages and issues identified from the project experiences. These events were held in locations in South East Asia (Thailand and Hanoi); Africa (Nairobi); and Geneva, and were each attended by 50-75 persons, including project partners from the region. Some of these events were deliberately timed in order to provide useful inputs to feed into other major upcoming international events, particularly the WTO Ministerial Conference, in

Hong Kong, in 2006, and the UNCTAD XII conference at Accra, Ghana, in April 2008. The TDP events thus provided an opportunity for CSOs and other stakeholders to discuss and come up with concerted positions/ suggestions concerning specific discussion areas expected to be covered in other international events, which are seen as the most important result from the project, from a global perspective. Brief highlights of some of these events have been summarized below.

79. **WTO Hong Kong Ministerial -centered events:** As a run up to the Hong Kong Ministerial Conference (Dec 2005), the project held two events: a LDC CSO forum was arranged in Livingstone in October 2005, and an international conference on “Stakeholder perceptions on Trade, Development and Poverty Reduction” at Geneva in November 2005. Besides these, CUTS also organized a panel discussion titled “Does Trade Lead to Poverty Reduction? Voices from Grassroots Alliances”, at the Hong Kong Ministerial Conference. Additionally, CUTS representatives participated every year at the annual WTO Public Symposia held in Geneva. The focus on the Hong Kong Ministerial is highly relevant given the fiascos at Seattle and Cancun, at which the wide chasm between the positions of various stakeholders particularly between CSOs and governments, came to the fore, leading to impasses in the negotiations. In contrast to the highly demonstrative stances in Seattle, the dialogue approach as evidenced by the panel discussion, sought to establish the willingness among international CSOs to engage in evidence based advocacy.
80. **Pre - UNCTAD XII Civil Society Forums:** Two such events were held, in Hanoi, Vietnam and in Nairobi, Kenya. The Nairobi event was attended by 65 persons. One of the major significant observations noted in the feedback reports of both events was “there was no attendance by any UNCTAD person” at the events. Whether the presence of UNCTAD persons was impractical or not intended in the first instance, is not clear, but it seems that if the objective of these events was to sensitize the future programmes and actions of UNCTAD toward a more effective pro-poor position, then the opportunity was not fully utilized.
81. **UNCTAD XII main theme: Addressing the opportunities and challenges of globalization for development.** By now it is widely acknowledged that globalization has generated remarkable wealth and prosperity for particular countries and particular industries. But those benefits have not reached large swathes of the world population; in numerous developing countries, and even within some of the more prosperous countries, there are many people who have not benefited or who are even worse off. Given that globalization will continue for the foreseeable future, the conference will explore ways to harness globalization to raise living standards, reduce poverty and ensure sustainable development.
82. According to the project partners, the UNCTAD XII is a very important platform, given that there is an emphasis on the inclusion of CSOs and private sector in the intergovernmental forums. Accordingly, the project has thus played an important part in supporting the increased involvement of CSOs in UNCTAD’s work, and this is an important result. The continued involvement of CUTS and its partners at all the TDP events, and the consultations held by UNCTAD in Geneva, as well as at the main event itself, reflect a sustained campaign to push for a greater CSO involvement in UNCTAD’s mandate and delivering on it to protect the interests of the weakest stakeholders.

83. However, while fully appreciating the relevance of UNCTAD and its partnership with civil society, the evaluator considers the diversion of significant resources away from the project's internal capacity development and advocacy activities to support an event that was not originally planned under the project, to be a misallocation, with no specific benefits for the 13 project countries. However, CUTS has strongly defended the activities related to UNCTAD XII, on the grounds that the events organized during UNCTAD conference were mainly to reach out to trade-policy makers. CUTS justified participation at the events realizing very well that UNCTAD XII was an opportunity to address trade-policy makers of 200 hundred countries who are members of UNCTAD.
84. **International Conferences:** Nairobi, 2007: The conference focused on strengthening the linkages of the Aid for Trade (AfT) with trade, development and poverty reduction priorities in developing countries. The conference produced several useful messages, the most important being the following:
- Market access alone is insufficient to develop trade, and AfT should tackle supply side issues. However, some LDCs have made good use of market access preferences under existing trade arrangements to increase exports, which shows that AfT is not the only means to enhance exports.
 - AfT should result in additional funds made available for trade assistance, and not a financial reallocation of existing **aid instruments**.
 - Prioritization of development aid requires dealing with potential conflicts of interest among various stakeholders, e.g. large vs. small enterprise, government vs. private sector, and among sectors.
 - CSOs have an important role to play in determining these priorities, however, they do not always have enough clarity or a coordinated approach toward influencing trade policy, and often the grassroots CSOs remained marginalized in the dialogue due to their own limitations (financial and trade-related capacities). Also, civil societies are more diverse than homogeneous and at times had conflicting objectives.
85. **International Conference on Global Partnership for Development**, August 2008, New Delhi. Theme: Coinciding with its 25 years celebration, CUTS organized a high-profile, two-day international conference on the theme "Global Partnership for Development", which was attended by key international figures, including Supachai Panichpakdi- Secretary General UNCTAD, Pascal Lamy, Director General WTO; and a number of high-ranking officials from other international institutions. The fact that the event was held shortly after the collapse of the Doha Round talks, enabled participants to introspect and consider fresh approaches to trade talks, given the criticality of development dimensions in trade liberalization. It was stressed that a just and equitable framework for international trade was an imperative under MDG 8, and this required the creation of veritable market access opportunities on part of countries, as well as donors living up to their commitments for provision of additional and unconditional aid, particularly considering the special challenges and needs of LDCs and other small vulnerable, landlocked economies. The event

ended on an optimistic note, observing that the failure of the Doha talks was a temporary bump, and with hopes that multilateralism would reinvent itself in a more resolute avatar.

86. The project proposal refers to four regional conferences for capacity development, one each in South/South-east Asia, Eastern Africa, southern Africa, and Europe. These were targeted at stakeholder groups who could not be included in the international conferences. These were to be conducted in association with specialist agencies such as UNCTAD.
87. **Regional Conferences in Nairobi and Thailand:** In October 2006, a regional conference was held in Nairobi, on the theme of effectiveness of donor-led TDP initiatives in the ESA region. A perceptions study produced under the project was presented at the event, and was followed by discussions. The paper has some useful points:
- Donors – Responded that the TDPIs aim to promote investment, support the development of an enabling environment, support skills development, expand regulatory capacity and expand capacity to engage in negotiations effectively.
 - Recipients – Responded that the main objective for implementing TDPIs is to gain capacity, and believe there is currently a bias against skills development in favour of building regulatory and negotiation capacity.
 - Implementers – The study found that delivery was split 50-50 between Southern and Northern implementers/agents. Recipients were divided over whether they preferred Southern or Northern implementers, as Southern implementers have more relevant experience but still have an agenda. In terms of assessing the results of TDPIs, recipients were least satisfied with the outcomes, and felt there was a bias in favour of a trade liberalization component to these initiatives, which are pushed by donors.
 - Design – The study found that there was a reasonable level of involvement amongst recipients in the design of TDPIs. However, TDPIs are sometimes presented to recipients fully developed and then they are asked to comment on their design. The study found that larger NGOs and private sector bodies are involved in programme design. However, CBOs and smaller grassroots CSOs were not much involved, as they lack capacity and expertise and are often seen as politically dangerous.
 - TDP mainstreaming – There is still a need to convince ESA governments that trade can be an important tool for development and poverty reduction, and this is perhaps why trade is still neglected in PRSPs. The Department of Telecommunications and Information Services (DTIS) is a useful tool and trade needs to be looked at across the economy. There also needs to be a ministry dedicated to trade policy.
 - Best practice – TDPIs work best when autonomous, non bureaucratic, flexible, having grassroots and high level commitment, good governance structure, based on trust, good consultation, focused, look at regional and domestic trade.
 - Recommendations – Need development at centre to integrate TDP linkages perspective, link micro and macro, address complimentary issues, and incorporate consultations.
 - Process requirements – Need strong ownership, a comprehensive needs assessment, good governance based on effective consultation.
 - Observations – In government to government TDPIs, there is low trust, poor not that much involved, government centered TDPIs are often bureaucratic, inflexible and slow, TDPIs often top-down, TDPIs often focus on negotiating capacity at the expense of empowerment

and skills development, TDPIs often lack an innovative methodology, and need to focus on trade development and main binding constraints.

- Way forward – Need more involvement of CSOs, which could have their own dedicated TDPIs and they could also pool their resources to work on TDP linkages.

88. **Regional Conferences on Aid for Trade:** Aid for Trade has been the project’s most intensely featured subject for research and dissemination. In all 5 briefing papers were developed on the subject and 5 events used Aid for Trade as their dominant themes. The fact that these were oriented at the donors and stakeholders in developed countries makes these events very interesting and useful at a time the architecture of Aft itself is under formulation. The evaluator considers this to be a good application of networking budgets.

Table 7. Regional and International Conferences and Networking events

Event	Regional	International	Other networking
2005	Pre Hong Kong CSO Forum, Livingstone,	Stakeholder perceptions (Geneva,	WTO Public Symposium, Geneva UNCTAD CSO Consultation, Geneva UK Cotonou Lobby Panel discussion on Trade and Poverty, WTO Hong Kong Ministerial Conference
2006	Trade related Capacity initiatives in ESA (Nairobi, 52) Pro poor policy initiatives in S and S E Asia (Bangkok, 30)		Gender and Trade UNIFEM , Delhi Executive Forum ITC, Geneva WTO Public Forum ILEAP Conference , Arusha OECD Global Forum on Trade, Mexico City Annual Poverty Symposium, Sri Lanka
2007		CSOs and Aft (Nairobi, 62) IF Workshop (Geneva, ...)	2 Aft workshops in UK WTO Public forum, Geneva Global Aid for Trade Review (Geneva)
2008	Pre UNCTAD XII (Hanoi ,) Pre UNCTAD XII (Nairobi,) Aid for Trade conferences (4 locations in EU,) 9 events	Globalization for Development (N Delhi,) 4 events	14 events

Source: compiled from event reports and progress reports

89. Overall, the project has generated a large volume of useful materials on the Trade Development and Poverty Linkage, drawing from a diverse set of developing and least developed countries, which is collectively **its most important contribution to the global**

repository on trade related development issues. Several outputs are of good analytical quality, and can be considered useful references for anyone with a working interest on these issues.

3 PERFORMANCE EFFICIENCY

3.1 Completion of Activities

90. So far, the project has completed all the major activities agreed to and proposed in the annual plans. However, the following actions, most of them applicable to 2008, had still not been completed at the time of the evaluation, and it is expected that the end of project report should have further details on their completion:
- Updates of the campaign kit for 2008: still being done in Vietnam, Bangladesh, Zambia and Uganda. All these were done only in 2006 and distributed in 2007.
 - National dialogue events or regional events for outreach in second half: so far only 5 of the 13 countries have completed their 2008 events. Among the field visit countries: only Zambia. Uganda has not, nor has Vietnam, nor Bangladesh. Others are Sri Lanka, Tanzania, Cambodia and Pakistan. According to the project management, there has been further progress on this account, and presently, only three countries- Nepal, South Africa, and Zambia, have yet to organize their national dialogue. Some other countries have organized the dialogue but they have yet to share the final report.
 - Release of Second volume of TDP book carrying the case studies and synthesis report has not yet done. This is under process according to the project management unit.
 - Final International conference in November 2008: This could not be held as some partners are still to complete their activities, and is now planned to be held in June 2009.
91. There have been no time and cost overruns in the project at the aggregate level. Given the overall adherence to timelines and budgets, it was not considered productive to assess delays and time overruns on a year-by-year basis. The implications in terms of unutilized funds on account of activities yet to be completed have not been assessed in the absence of budget estimates for each of these activities.

3.1.1 Amendments to Design

92. Activities amended: Although the project design remained broadly unchanged throughout the project, there were two important changes, which the evaluation considers as bearing significantly on the project results.
- The first major change was the shift in emphasis from the annual high profile National Dialogue to a series of smaller, local outreach workshops in the countries.
 - The second was the substitution of Regional Capacity Building workshops by regional events preceding the UNCTAD XII event at Accra in 2008.
 - The third change was the replacement of Producer Consumer Dialogues to a series of workshops in European cities on the subject of Aid for Trade. This amendment is considered to be a positive course correction, given the lack of essential in-project

expertise to take up product level market linkages, and also its deviation from the main purpose of the project itself. Instead, using these budgets for developing wide ranging consultations on the new and evolving subject of AfT, which had raised expectations among less developed countries for solving some of their trade related challenges, and which had still several unresolved aspects to its definition and architecture, besides funding arrangements.

93. Major amendments to the project design have been made without due deliberation and contributions from the advisory committee, and it is not known whether there were specific prior approvals from donors. However, these amendments were made in consultation with the partners and they have been reported in the project progress reports. According to the evaluator, these amendments do not have adequate justification as being improvements to the original design in meeting the project's objectives. To the contrary, some of these amendments have actually diverted the project's focus to less-effective activities, resulting in a lack of results in terms of policy influence at the national level. This aspect is elaborated in the following section.

3.2 Administrative and Coordination Arrangements

3.2.1 *Advisory Committee*

94. A Project Advisory Committee consisting of sixteen persons was constituted to provide guidance for the project. Of the sixteen members, only three, including the CUTS-nominee, were resident in India. The list includes several illustrious names in the field of trade and development issues, whose inputs and guidance could be highly valuable for the project. The evaluator believes that these members consented to be part of the project by virtue of its being under the leadership of a highly credible organization like CUTS, and also because of the project's pioneering effort in understanding the T D P linkages in different settings.
95. The project documents do not contain any references to formal terms of reference or mandate for the Advisory Committee, details pertaining to the conduct of meetings and decision-making and formalizing minutes / records of such meetings.
96. Prima facie, the presence of such a high powered advisory board is seen as an immense strength for the project. However, the board remained only on paper, and has never met during the project. According to CUTS Jaipur, the Advisory Committee has not been functional, mainly due to the difficulties of getting together these persons to convene together for the project. This should have been expected, given the profiles of the board members and their tight schedules. Even if the entire board could not meet, several lesser alternatives were possible. One practical solution to the problem could have been the creation of a smaller committee of persons, who could meet more frequently and have a closer interaction with the project, rather than have the full board convene and review the project. Options like teleconferencing could also have filled in the void partially.

Table 8. Advisory Committee, TDP

Member	Institution	Member	Institution
Alan BEATTIE	World Trade Editor, Financial Times London	Basudev Guha- KHASHNOBIS	Fellow, WIDER, Finland
Betty MAINA	CEO, Kenya Assn of Manufacturers, Kenya	Chau Van Thanh	Dean, Ho Chi Minh City University, Vietnam
Dominique Njinkeui	Executive Director, ILEAP, Canada	Dushni Weerakoon	Fellow, Institute of Policy Studies, Sri Lanka
Elizabeth EILOR	Coordinator, AWEAPON, Uganda	Jean-Pierre Lehmann	Professor, IMD, Lausanne, Switzerland
L. Alan Winters	Research Director, World Bank, USA	Manuel Montes	Head, Asia Trade, UNDP Sri Lanka
Mariama W. Kamara	Associate, Centre of Concern, USA	Maxine Olson	Resident Representative, UNDP, India
Tamsyn BARTON	Team Leader, Intl. Trade, DFID, UK	Veena Jha	Coordinator, UNCTAD India Project, India
Yvonne M Tsikata	Lead Evaluation Office, World Bank, USA	Bipul Chatterjee	Executive Director, CUTS- CITEE, India

Source: TDP project report

97. The inability of getting the advisory board to meet even once during the four years of the project is seen as a failing of governance by the project administration. Given that so many seminars and events were held, it was possible to club one or more advisory board meetings with these events, which would also have given the opportunity for at least some board members to also participate in the events and share their knowledge/ experiences. In retrospect, the absence of a functional advisory committee is seen as a major failure of the project, as there was no opportunity to question and provide advice to improve the quality of interventions, advocacy effectiveness, and visibility/ traction at the national/local level.

According to CUTS, many advisory committee members participated in various events at national, regional and international level and they were briefed and consulted on the project. However, there being no documentation on the advisory committee meetings, the evaluation could not consider the influence of these consultations on the project's effectiveness implementation.

3.2.2 Project Reviews

98. **Internal:** According to the project proposal, three review meetings of the project partners were to be held, one each in the second, third and final year of the project. However, no formal reviews have been undertaken, other than an email-based stock-taking review undertaken in 2007. The email survey of partners simply asked partners to respond to a small set of questions, on their experiences in the project, to which the answers were rather general. There was no serious review of the results achieved through national dialogues and other events in the project countries, nor discussions on the project's continued relevance over its long duration, and the lack of effectiveness at the local level, which were pointed out by at least some partners. According to CUTS, such (informal) reviews took place during regional and international events.
99. **Donors:** It is usual, especially in multi-year projects, for donors to undertake interim monitoring missions to review their implementation and adherence to the agreed intervention logic. This was not to be found in the TDP. There have been no qualitative interactions between the donors and CUTS on the performance of the project, following the submissions of annual project reports. This leads to an impression that donors have either been highly satisfied with the project's high visibility and did not question its local effectiveness, or were content with only supporting what has clearly been a pioneering, well-timed idea. CUTS personnel did meet donors from time to time and reviewed the project. *However, as mentioned above, there are no records of formal reviews with donors and donor comments on the project progress reports.*
100. **Partner feedback:** One of the disappointments in the evaluation has been the poor response from project partners even to the evaluation. A list of guidance questions was sent to all partners through CUTS, to collate their experiences and project results in each country, which remained unanswered for over three months, despite reminders. Eventually, only six of nine countries not visited by the evaluator (Cambodia, China, Nepal, Sri Lanka, Pakistan and UK) have responded to the questionnaires, and with the exception of UK, the answers were incomplete or too general in some cases, indicating a mechanical rather than qualitative approach to the evaluation. Partners were also required to have inputs from beneficiaries and other institutional stakeholders (ministries, donors, etc.) but none of the partners organized responses from other stakeholders. As a result, a proper aggregation of views on project implementation experiences has not been possible.
101. **Guidance and backstopping by CUTS:** Overall, project partners mentioned that CUTS Jaipur was prompt and responsive to any queries on project implementation issues. Also, the disbursement of funds was very efficient. However, some partners, including staff at some CUTS Resource Centres felt that there was not adequate qualitative support from Jaipur, and the interactions were more focused on completion of agreed activities. There was usually no feedback on event reports except acknowledgement of the reports. The evaluator also noted that the quality of backstopping from Jaipur had its own challenges, primarily due to frequent changes of staff. The TDP has seen **six changes** in programme coordinators over the four-year period, including two changes in 2008 itself. Firsthand experience of the evaluator testifies to the difficulties that such discontinuities can cause in the monitoring and quality control of the project activities.

102. **Empowerment of Regional Resource Centres:** When the TDP project was signed up, CUTS has three regional centres in place – London, Nairobi and Lusaka. The centre in Hanoi came up only in 2007. While the centre in London was actively involved in project events in Europe, the actual contribution of the centres in Kenya and Zambia to the implementation and local monitoring of the project is not clear. No specific responsibilities were given to the resource centres, as a result they remained at the fringes of the project while partners, who had considerable autonomy became footloose. Empowerment and delegation of authority to regional centres could have partly compensated for the lack of continuity in the headquarters. It has not helped matters that there were several staff changes in some Resource Centres and in some partner organisations as well.

3.3 Financial management

103. Overall, the project has been managed within the available budgets, and funds have been released to partners in accordance with the contracts. Each partner received an initiation advance, followed by release of further installments against pre agreed milestones. Funds for new activities were released only upon submission of completion reports for earlier activities. In some cases where partners had not completed some activities, this arrangement led to delay in more activities.
104. **Reporting** to donors has been prompt and in agreed formats i.e. a narrative report covering the actions during the accounting period, and corresponding expenditure statements duly certified by independent auditors. The project followed an entitlement based rather than expense based accounting system: the entire budget amounts were treated as consumed, when the appropriate activities were completed. This system does not report variances at the line item level and does not facilitate a transparent analysis of budgets versus actual expenditure against each activity, and consequent reassignment of resources by the project.
105. **Overhead costs:** In the project proposal, 5% of the direct costs of the project were budgeted toward management overhead. However, as indicated in the financial reports submitted each year, the project actually charged an 8% on direct costs as overhead. No specific documentation toward this amendment has been mentioned in the reports.
106. **Funds released to project partners:** The project proposal indicates an overall envelope of 2.3 million euro. Details of the activity-wise budgets for each partner have been given in the document, according to which each partner was eligible for €63,000 for in-country activities. However, in the partnership contracts, each partner was committed US\$ 63,000 for in-country activities. Partners have mentioned that they received all the committed and due amounts as appearing in the contracts. According to CUTS, a conservative approach was followed and partners' funds were on a tight leash, and eventually the difference was used to cover the costs of organizing international events, which required significant budgets.

4 ANALYSIS OF RESULTS

4.1 Outputs

107. The project has been very prolific in terms of outputs produced. According to several persons met by the evaluator, there has been no other donor funded project of such a magnitude and geographic canvas, which could be compared to the TDP project. Viewed together, there is now an enormous wealth of knowledge of the various manifestations of the Trade- Development- Poverty linkages across continents, which provides a well-rounded base for policy makers as well as advocacy organizations to articulate positions and demands for a more effective pro-poor policy formulation and, more importantly, implementation. The TDP can claim to be one of the most visible efforts in recent years on the Trade and Poverty Linkages.
108. Yet, the irony of the TDP is that despite its huge canvas at the global level, it is too diffused, isolated and lacks sufficient visibility at the local level. While the project countries have methodically contributed to the synthetic conclusions of the project, the post-synthesis advocacy, which brings the collective learning from all 13 countries to the knowledge has not been forcefully communicated or highlighted, particularly at the local level. As a result, engagement with policy makers and national stakeholders has been confined only to the findings from the local case studies, which limits the appreciation of the T D P linkages for domestic policy formulation. Very few government stakeholders and indeed very few partners have shown awareness of the experiences in the other partner countries, which have useful lessons.
109. The year 2008 should have actually focused on disseminating these collective lessons from the project, and heightened the dialogue with government and donors at the local level. Instead, the events in 2008 have all been low key, and have not built up to the project finale. It was communicated by the project management that the final meeting is now being planned for sometime early June 2009 by when all project partners would have completed their activities.
110. The North-South dimension of the project is isolated, with a few events in Netherlands and in UK. It is incomplete without advocacy at the local level aimed at the development and donor community in the project countries. Here the project has fared poorly: in most countries, there has been practically no engagement with the key donors on a one-to one level.
111. **Outreach results:** In all, over 22,000 people have received at least some materials from the TDP. The most important products from the national studies have been distributed extensively all over the world, including over 10,000 hard copies of the Campaign kit, over 15000 copies of advocacy document; and over 1000 copies of the Country Background Studies -Volume 1. From the perspective of a reader who has received all these materials from the project, the project has generated five useful reading materials: country

background reports; synthesis of case studies- Vol 1; campaign kit, and the advocacy document; and 18 briefing papers, including on Aid for Trade.

112. However, it is very difficult to ensure that all these materials have been received and have been compiled together in each recipient's workplace. It is even more difficult to ascertain whether this enormous volume would have been read and assimilated. Therefore, the physical and electronic distribution of these materials is seen as the minimum achievable result from an advocacy and outreach objective. This has also been the least- cost budget item in the project, and is a durable end product of the project, and can stay long on the public domain, compared to the high cost international and regional events organized under the project.
113. **Regional and International conferences:** In all, around 700 people participated in the regional and international conferences, and close to 1900 in the national dialogue events. Many of these were high profile events showcasing CUTS International, but not necessarily focused on having local impact. Overall, the project is a good showpiece for CUTS International's actions; but the same cannot be said for all implementing partners. The project remained a set of long-spaced activities, rigidly delivered within the fixed and rigid templates and mechanistic. There was no local ownership, which resulted in a lack of creativity and adaptation and limited advocacy targeted at national stakeholders. Also, the knowledge contents were static: in many cases, perceptions of 2005 continued to be shared in 2007 and 2008, with limited current relevance for recommending actions.

4.2 Results targeted by the project

114. One of the main weaknesses of the project is the absence of a clearly articulated Results Matrix, which makes the assessment of results difficult. The project objectives are rather ambiguous, overly long statements and are too general to be measured against specific and objectively verifiable indicators. The project proposal document refers to the Logical Framework Analysis as an attachment, but there is no such attachment to the proposal. Instead, the document itself lists four groups of objectives, results and activities. The evaluator observes that the terminologies are unclear, and descriptions listed under the heading of Results are actually activities themselves. For instance, the formulation of a Project advisory Committee is stated as one of the results to be achieved under the objective: "Facilitate cross-fertilisation of experiences and lessons learnt on linkages between trade, development and poverty reduction in developing countries to develop appropriate policy responses". Similarly, the entire objective 4 describes an activity – to advocate development oriented policies, instead of a result. In such a situation, it is easy to show a menu of activities for the project, without the onus of a certain pre-specified end result for the project.
115. A closer examination of the document also reveals that the results under two different objectives have also been wrongly categorized. Under Objective 2, dealing with strengthening the ability of developing countries through policy support, results and activities deal with alliances formulation and dissemination across networks, instead of capacity development aimed at improving advocacy and negotiating positions. On the

other hand, results and activities under Objective 3, dealing with facilitating synergies between governments and stakeholders, consist of capacity development workshops across regions.

116. It can be argued that the project proposal describes the intervention in general- given the differences in specific contexts among the project countries, and therefore very specific results cannot be enumerated in the proposal stage. However, it remains that specific results were not even targeted at the country level, where the key trade challenges could be identified more precisely, and project interventions could be designed and targeted to obtain concrete results under each of the four objectives: cross fertilisation of experiences across countries; capacity development for articulation and negotiating advocacy positions; synergies among stakeholders to strengthen perspectives on the trade-development-poverty linkages; and advocacy for formulation of development-oriented trade policies.
117. Given that both DFID and MINBUZA follow effective Programme Cycle Management (PCM) methodologies and attach great importance to evaluations, it is a bit surprising that the Project has been appraised and funded by both donors without insisting on an appropriate Logical Framework and the inclusion of measurable results i.e. SMART indicators. Under these constraints, the evaluator has sought to provide evaluation observations under each objective as stated in the project proposal.
118. **Objective 1: Cross-fertilization of experiences and lessons learnt in developing countries to develop appropriate policy responses:** The project clearly stands out as a first mover in this direction. There are no other comparable efforts known to the evaluation, which may have collected such a diversity of experiences on the effects of trade liberalization on poverty reduction, using a common methodology, and eventually synthesized the findings to come up with a set of conclusions that provide additional insights into the complexity of the trade- poverty reduction linkages. While some conclusions are not entirely unexpected, the country studies clearly point out some lacunae and challenges in the trade liberalization process that have led to unintended impacts on development and poverty reduction, and these are valuable insights for policy formulation as well as stakeholder consultation processes. The contrasts between African and Asian LDCs in managing their external trade opportunities toward completely different results from a poverty reduction perspective are particularly useful.
119. While the project has generated useful content, it cannot be demonstrated that this content has been imbibed by in-country actors and applied in policy actions or trade negotiations. This is because the project has not been able to engage with policy makers in each of the participating countries to showcase its collective findings and call for specific attention to the key issues and lacunae observed in the country's development agenda in engendering a positive trade-poverty relationship. The only cross-fertilisation that policy makers would have had from the project are likely to be from a reading of the TDP booklet and advocacy document, and any participation in the side events at the Hong Kong Ministerial. Given that in all, less than 2000 people worldwide have attended the project's events, i.e. an average of 150 per project country - not more than ten government officials, and fewer donor institutions/ development partners, to expect this distribution to have a lasting effect on policy response would be overoptimistic. In the countries visited by the evaluator, it was reported that not more than two or three copies of the advocacy document and

campaign kit were sent to persons in the Trade Ministries, and none were sent to other important ministries, particularly the Agriculture Ministry, which is among the major stakeholders left out of the project.

120. The project provided an excellent opportunity for cross-fertilisation of experiences across countries in the same sectors, but this has not been used by the partners. There were several common sectors in the country case studies: particularly fisheries, textiles/ clothing; and tourism. The different experiences of project countries in the same period of time, amidst the same external trade environment could have been synthesized for useful sector level lessons in the project. Unfortunately, this was neither attempted voluntarily by the project partners nor by the project advisory body.
121. Even though the project has had liberal budgets for events, it is unfortunate that there was no event to convene policy makers and a few key stakeholders of the participant countries to share the lessons from the TDP case studies from several countries, and also have specific country-level action items discussed among policy makers, industry actors, producer groups, donors, as well as civil society groups. Such an event would have added significantly to the cross-fertilisation objective, and its absence is seen as a missed opportunity. Even the national dialogues did not focus on such a format, as a result some key stakeholders have remained excluded from the project events. CUTS informed the evaluator that all project partners would be asked to organize such an event at the end of the project.
122. Despite the enormous effort expended and the useful insights from the country studies, unfortunately, their current utility is limited and even questionable in some cases, given the subsequent changes in the landscape, some of them being very significant. In at least three of the five countries studied- Vietnam, Bangladesh and India, the sectors covered under the project have undergone major changes, and the conclusions of the case studies contrast sharply with the current realities in these countries. Despite the project being still active for four years, there have been no attempts to update the studies to incorporate these major changes, in order for the findings to be still relevant and therefore become useful in advocacy, which is the key influence expected from the project. This would have been easier, had there been a continued involvement of sector level bodies as partners in the project. This was not the case in most countries- Bangladesh being the notable exception among the field studies.
123. Cross-fertilisation among project partners should have been automatic. But this has not taken place, and partners are not in regular contact with one another, nor fully aware of the activities in other countries. The only common link is the CUTS HQ in India. Even the CUTS resource centres operate rather independently in their silos, although they have more opportunities to interact at regional events.
124. **Objective 2: Strengthening ability of developing countries through provision of policy support, know-how and do-how on trade and development issues:** The evaluator contends that this objective has not been duly addressed in the project activities, unless it is argued that all the briefing and discussion papers are intended as capacity building materials aimed at stakeholders. It is also not clearly spelt out whose abilities are sought to

be strengthened: negotiators, other government stakeholders, or civil society representatives.

125. The project proposal and the annual activity reports refer to Capacity Building workshops, which are regional events, involving key policy makers, civil society representatives and other stakeholders. According to the proposal, four workshops were planned; one each in South and South-east Asia, Eastern Africa, Southern Africa and Europe. The workshops were to include other agencies such as UNCTAD and other regional bodies, with a focus on policy issues and policy coherence regarding linkages between trade, development and poverty reduction. However, neither the agenda of these events nor the target participants indicate these to be formally aimed at developing capacities toward policy support and know-how on trade and development issues.
126. In the annual progress reports, activities reported under the Capacity Development objectives are: national dialogues, Campaign Kits, and briefing papers. However, according to the evaluation, these outputs are to be seen more as related to dissemination and networking and not related to capacity development from a policy formulation point of view. The reason is that all the stated outputs limit themselves to findings from the project studies, but do not build the agenda forward into a consultation process to solve the issues identified under the project. Again, the absence of key stakeholders from government in many meetings, the lack of consultation events specifically focused on current trade negotiations- regional and bilateral, and the non-involvement of specialist agencies such as UNCTAD (mentioned in the proposal), or even individuals that have due expertise in trade areas (many such persons are available in the civil society networks connected to the TDP), indicate that a planned capacity development component has not been pursued in the project.
127. There have been isolated examples of efforts to build capacities, at least an appreciation of trade issues among specific stakeholders. For instance, two media training workshops were held in Bangladesh in 2007 and 2008, covering trade topics, particularly the implications of the WTO agreements. However, as discovered by the evaluator in the group discussion, this has not led to any significant increase in reportage on trade issues and resultant increase in public awareness of the same. To expect isolated one-off events under the project to claim any results in capacity development would be unrealistic.
128. The case studies and briefing papers provide useful information and analyses of trade related issues, which can be used by civil society organizations to further their campaigns for pro-poor actions at various levels. For instance, the key lessons from the African trade liberalization experiences in Uganda, Zambia as well as Tanzania were the same: that state owned institutions were disbanded completely, including an abdication of their role as facilitators and regulators amidst the new free market transition. The stakeholder perceptions collected in the studies provide the basis for sector/ product specific campaigns to resolve the problems that hinder the beneficial impact of trade from accruing to the poorest stakeholders. This should have given rise to new demands for specific analysis as well as policy dialogue on part of the project partners, which could have been addressed under the TDP or any other concurrent project in the country. This approach would also have made the national dialogues and regional dialogues more meaningful and progressive, rather than deliberate a static result of the project- the perceptions collected in 2005.

129. The national dialogue format was changed to allow for regional meetings, in order to improve outreach at the local level. But, the relevance of the project's outreach meetings for grassroots stakeholders is questionable, in the absence of a product-specific context. It is unreasonable to expect farmers and primary producers to relate to the nuances of trade policy, when all they seek is a representation to resolve matters at a local level, tangibly. The project developed such needs but could not address them due to the rigidities in its design, the lack of capacities of its partners in addressing such issues, and also the absence of appropriate budgets for such actions. E.g. Zambia.... As a result, the national dialogues became less and less relevant to the target participants, mainly because they were based on a static output developed in 2005, and delivered time and again by the same presenters.
130. The disconnect between the project and the trade experiences of stakeholders is that the advocacy of the project is mostly at the level of national trade policy in the aggregate, without a focus on sector level policies, whereas the direct results of trade are to be felt in real products and sectors. Therefore, advocacy which is not focused and specific to key product groups is not likely to be effective at the local level, as shown in this project.
131. The hands-off management of the project and the absence of working advisory committee resulted in no scope for corrective actions. Even the interim review of the project was based on an email questionnaire survey, and did not look at results as perceived in the eyes of the stakeholders. Reporting was mechanistic and at least some partners felt that there was very little qualitative engagement with the headquarters. No feedback on reports, no backstopping or follow up. Partners have had no results to measure themselves at the country level, other than the completion of agreed activities. Therefore, at the local level, the project has remained a checklist of activities against which funds could be drawn, reports to be submitted on completion of the activity, with no other result at the local level.
132. **Objective 3: Facilitating synergies between government and civil society stakeholders, (particularly North and South) to learn from each other and strengthen their collective perspectives and positions in the emerging debate on the linkages between trade, development and poverty reduction:** The evaluator considers that the project has had significant engagement with government and civil society stakeholders at the international level, although this has been rather feeble at the in-country level, in all countries. This is attributed to the skew in the project activities, which have leaned heavily toward regional and international networking events, rather than local dialogues between government and other stakeholders inside the project countries.
133. The events arranged by CUTS London Resource Centre are particularly important in the context of the North- South dialogue, and the project's findings from 13 developing countries have provided useful insights to the policy makers and donor agencies, particularly in EU, on the constraints and challenges faced in mainstreaming and operationalising trade policies for development outcomes, and also the unmet expectations from development assistance from developed countries. The useful materials and discussions on the perceptions and expectations regarding AfT are also timely, given that the modalities for AfT were all under discussion during the project's tenure.
134. Within the country, the North- South element of the project can be assessed by examining the project interactions with government, donors and development agencies. This has been

particularly weak in the project, in all countries visited by the evaluator. As the table of attendees for all the national events indicates, government bodies accounted for less than 5%, and donors, less than 3%, of the participants at these events. This share is even lower, if Cambodia's high figures are excluded. Given that donors convene regular PRSP review meetings with government and civil society representatives, there are ample opportunities to interact and share the project's learnings and develop actions based on these learnings, particularly using the experiences in other countries. With the sole exception of Uganda, government officials as well as donors met by the evaluator had very little knowledge of the project's key thrust and its lessons, even though they were well aware of CUTS and the local partners. The fact that CUTS as well as its partners are engaged in multiple projects simultaneously makes this particularly difficult to attribute awareness results for the TDP project.

135. Ideally, local partners should have targeted key officials and donor agencies as the main participants at national dialogue events focused on all, instead of merely inviting them as attendees. This would have ensured that at least once a year, there would have been a deliberation of the national, regional and global situation on trade and poverty in each country- 4 events in all, which could have enabled annual stock taking on PRSP, the TDPIs, trade and other development policy implementation, besides allocations under AfT and other development support funding. This would have made the annual TDP National dialogue a high profile event, perhaps unique in these countries, and brought due visibility and respect for the project and for CUTS and its partners. The loss of such a valuable opportunity is again entirely attributed to the absence of proper project review and monitoring mechanisms under the project. It is recommended that, donors permitting, all unspent funds be pooled and reappropriated to enable at least one End of Project dialogue preceded by the stock taking in each country on the developments since last reviewed by the project.
136. **Objective 4: Advocating development oriented trade policies:** The principal result claimed by the project in this direction is the 'International Advocacy Document' which has been synthesized from the various country case studies, and has seven key messages:
- Strengthen labour intensive sectors
 - Ensure that the benefits of growth work against inequalities
 - Strengthen domestic policies
 - Demand for government policies promoting human development through trade
 - Consider the importance of economic integration and spillovers for the poor
 - Work with a realistic market analysis
 - Establish strong partnerships between relevant stakeholders
137. The document has been distributed to all project partners in meetings and conferences, and also sent out by email to a large mailing list. While the messages are very clear and logical, by themselves they are not all actionable, unless contextualized at the level of the country's policies and programmes. This should have been the focus of national dialogues in 2007 and 2008, but has not been pursued in the project. Instead, the distribution of the advocacy document ended the spread of the messages synthesized from the vast exercise of country level studies.

138. According to the report submitted to donors, this document aims to influence a policy shift among trade ministries to incorporate a more development-oriented foreign trade policy. However, it is evident from the key messages themselves that the actions are all not under the purview of the trade ministries alone. Strengthening domestic policies and labour intensive sectors involve line ministries other than trade, particularly Agriculture in many countries, given that most of the poorest sections are employed in farming or related activities. Therefore, the excessive focus of the project's advocacy on trade actors alone is considered erroneous.
139. Since the Uruguay Round, the focus of advocacy has been on trade ministries, but now, this needs to be shifted at least partly to other actors. Many agreements are in place, and strengthening negotiating positions is no longer the main issue. Technical capacity development and stakeholder mechanisms are addressed by several programmes, funded by donors. Also, civil society as well as private sector bodies are actively involved in the bilateral and regional negotiations of interest to their countries/ regions, as can be readily observed in the EPA negotiations with the European Union. It is therefore time for CSOs to take the dialogue beyond external trade negotiations and trade policy, given the findings that trade policy alone does not have the answers to poverty alleviation.
140. It can also be stated that, despite non-tariff barriers, in overall terms, market access opportunities have increased particularly for LDCs, but not enough is being done to convert these opportunities, except in a few countries. On the other hand, as the studies have indicated, other factors hold back countries' abilities to benefit from even preferential trade opportunities. Resource allocations for identified thrust areas and sectors, and critical trade creating infrastructure also pose challenges which require developing countries to work together with development partners while becoming better demandeurs of development assistance. It has not helped that, traditionally, other line ministries have remained isolated from the trade-development-poverty debate, and have often lacked absorptive capacities to implement available external assistance.
141. The evaluator would also like to submit that *prima facie*, there is no argument or debate among policy makers in developing countries on the theoretical framework for the trade and poverty linkage. Therefore, at a global level, awareness generation of the linkages is not really a result to be targeted by the project, it should be taken as a given. The fact that MDG 8 is formulated with trade as its intent is proof enough of the global endorsement of the linkages. Instead, the focus of advocacy ought to be more local, and country specific, to better understand the right mix of factors and conditions that cause the positive linkage of trade and poverty linkage to manifest in the specific settings of each country. This would imply that a bulk of the project's advocacy actions should be local, and the research should be more to identify the right conditions and stimuli to link trade and poverty reduction.

4.3 Effectiveness- Results from the Project

Effectiveness is a measure of the extent to which the intervention's intended outcomes, i.e. its specific objectives – intermediate results –have been achieved. Explicitly, effectiveness is the relationship between the intervention's outputs, i.e. its products or services – its immediate results – and its outcomes, meaning usually the intended benefits for a particular target group of beneficiaries.

4.3.1 Benefits to target groups

142. The benefits from the project can be assessed at three levels:

- Benefits accruing to programme partners;
- Benefits accruing to the key influencers in the trade, development and poverty linkage dynamic; and
- Benefits accruing to the final beneficiaries- trade participants including producers, traders, and consumers.

143. Benefits to programme partners:

- The main beneficiaries from the project are CUTS International and its project partners in fourteen countries. The project stands out as the most visible multi-country effort to analyze and subsequently synthesize learnings on the relationships between trade, development and poverty reduction, and provides a huge body of comparative evidence from countries in various regions of the world. This by itself is a useful contribution to the development community, particularly donors and development partners. Several project partners, whose experience has traditionally remained in consumer issues, have got exposure to trade issues through this project. This potentially enhances their sphere of influence in their countries. Bangladesh, and to a lesser extent Vietnam, is particularly cited as appropriate illustrations.
- At a minimum, the project has provided CUTS International enormous visibility and credibility as an international civil society organization dealing on trade and consumer issues. The project has enabled CUTS to strengthen its regional offices, and increase its penetration into the project's countries, as an international organization. The fact that CUTS Resource Centres are included in national consultations is in part due to the local activities in the project, and in part due to the high visibility of CUTS at major events in the international arena, to which high level officials of all the project countries are regular attendees. The positions of CUTS and its partners on pro poor trade policies at these forums have facilitated the local acceptability of CUTS and its partners on trade related advocacy campaigns. The prolific distribution of research and info bulletins from CUTS, under its various projects, also sustains a top-of-the-mind recall for CUTS and its activities relating to trade and poverty. This in turn has resulted in a greater inflow of donor assisted projects for CUTS, in Asia, East Africa and South Africa, on the same or

related themes of mainstreaming trade in development planning. At the time of the evaluation, at least two such projects (FEATS, MINTDEV) were under implementation, and a follow-on proposal is under consideration, based on the results and recommendations of this evaluation.

- Partners have also had access to new research and advocacy materials developed under the project, for perusal, customization into the local contexts, and dissemination in the form of campaign kits and advocacy materials. However, this benefit has not been used optimally in the project, as project partners have not leveraged these outputs sufficiently in their networks, nor used these as inputs in their engagement with government and industry stakeholders. Partly, this has been due to the activity-based approach pervading in the project, without a local results-based approach.
- The project offered sufficient opportunity within the project partner network for cross-fertilisation and capacity development on trade related issues, and this should have been a potential gain to partners. Some of the project partners/resources have demonstrated sufficient knowledge of trade issues, as can be inferred from the quality of the briefing papers. On the other hand, in at least two of the four countries visited for the field evaluation, the evaluator found evidence of inadequate and weak knowledge of the basic principles and provisions of the key trade agreements of interest in those countries, including essential terms like **import safeguard provisions, exclusion lists, transitional period**, etc. According to CUTS, the selection of partners has been based on a combination of outreach strengths and research strengths; with the main partners being those with outreach skills (research partners were involved only in the background case studies). However, the project has not given appropriate attention to building the trade related capacities of outreach partners. As stated by all partners, there has been almost no bilateral interaction among partners, other than at the regional or international events convened by CUTS or its regional units. Even the regional capacity development workshops originally planned in the project proposal, were abandoned in favour of the pre UNCTAD XII build up events, and this has been at the cost of any capacity development gains to the partners.
- Some partners – Zambia and Uganda- credit the project for enhancing their understanding and contributions in the consultations for the EPAs being negotiated with the European Union. The negotiations of the exclusions list (sensitive items) from the EPAs is particularly cited as having been influenced by the improved understanding (from the case studies in this and other projects) of trade impact on agriculture, dairy and other primary sectors.

144. Benefits to key influencers:

- The project has generated a large volume of useful materials - briefing papers, synthesis papers based on the country studies, and the advocacy document- that are readily usable by the layman as well as any person involved in trade policy and development issues. Some of the materials, particularly the documents on TRTA: Aid for Trade, Enhanced Integrated Framework, and TRTA analyses in the project countries, are useful to trade negotiators, development planning departments as well as donor bodies, in understanding

the perspectives from developing countries on the challenges in implementing trade agreements in the absence of appropriate development support. This benefit can be sustained by ensuring that the entire repository of research under the TDP as well as under other trade related projects by CUTS and its partners is archived and made available on search engines and databases.

- There are some valuable lessons from the case studies that can assist policy makers in all developing countries. In the evaluator's opinion the three most important lessons are:
- Economic liberalization in many African countries resulted in unfettered privatization without any form of oversight and regulatory control to balance the conflicting interests of diverse stakeholders, leading to enormous vulnerability of weaker stakeholders, and eventually, an erosion of competitiveness and productive capacities in the absence of a sector approach and enabling sector-specialized development institutions specialized in principal sectors. The government's exit from production also led to the complete closure of parastatals in the absence of appropriate restructuring of their mandate and provision of budgetary support for their continuance in the new regime. For these countries to benefit from the market access opportunities under EPAs and other treaties, the development of sector level institutions and the strengthening of producer groups is critical, as pointed out in the case studies in Uganda and Zambia, both. Thus the pace and scope of liberalization needs to be carefully calibrated keeping in mind the sensitivities and vulnerabilities of the weaker stakeholders.
- Trade does not automatically lead to poverty reduction, and therefore the poverty alleviating features of trade need to be nurtured through a mix of targeted resource allocations to labour-intensive export sectors; appropriate technology trade-offs to balance productivity and competitiveness advantages with employment creation; and spreading of trade participation gains across smaller enterprises. Countries that have supported the development of less capital intensive and more labour intensive exports have been able to create significant employment of the poor in trade creating activities, even though the levels of productivity and technological sophistication may have been partly sacrificed. Once a resilient export sector has been built with a large employment base, non-price competitiveness and technological sophistication would automatically percolate into exporting sectors. On the other hand, some countries have shown significant increases in trade through capital intensive- and often foreign invested-enterprises to take advantage of preferential trade treaties. In such cases, the benefits from trade have been concentrated within a smaller group, and have not led to widespread economic activity and distribution of the benefits, particularly for the lesser-skilled and less-resourced stakeholders.
- Trade liberalization brings with it additional risks on account of the externalities. To sustain development momentum through trade, several other factors besides trade policy need to be addressed simultaneously. Macroeconomic stability, particularly currency parity, enterprise and skills development, fiscal and monetary policies, trade facilitation and market development assistance, are directly related to the external sector management, and there are other cross cutting issues like health, gender, education and environmental sustainability, which have longer term impacts on the development impact

of trade. Thus the mainstreaming of trade alone cannot serve the cause of trade as an engine for development, and other stakeholders particularly finance, human resources and major line ministries governing the economic sectors, need to be equally engaged in the shaping of a truly poverty alleviating trade environment in developing countries.

- These lessons can be used effectively by CSOs and other stakeholders in influencing policy (not only trade policy) and engaging with the other important government agencies toward trade and employment creating growth development plans. It is not enough to stop at the planning stage, and effective advocacy should also extend to the state of implementation of agreed plans and utilization of resources for development. The weak execution capacities in many countries calls for new types of intervention in which there could be new roles for partnerships with civil society. In the opinion of the evaluators, such directions have not been pursued by partners, based on the integrated learnings from the project.
- It can be said that the various workshops held by CUTS LRC focusing on the Aid for Trade theme are particularly timely and beneficial in the context of the ongoing discussions on the possible scope, content and structure of Aid for Trade, a subject on which several donor countries continue to grapple with. The involvement of participants and speakers from developing countries has added to these events' utility. Another important benefit is that these events involved several NGOs in the AfT debate amidst an atmosphere of skepticism particularly among European NGOs that AfT was merely a sop from developed countries to conclude the Doha Round of WTO negotiations. Participation in these events gave them the opportunity to listen to the development strategies as well as concerns among the donor community on the operational aspects, given the existence of numerous multilateral and bilateral funding in similar or overlapping areas.
- The focus on AfT also enabled a practical common ground for sharing the different experiences of the 13 project countries and focusing them toward addressing one common trade-related challenge: effectiveness of trade related technical assistance. This makes it possible for the project countries to become better demandeurs of TRTA and also engage more effectively with their development partners in the formulation of additional TRTA support under AfT-related instruments.
- Policy makers in most of the project countries however cannot be said to have specifically benefited from the project, based on the extent of involvement with the project, which remained confined to one or at best two appearances at the national dialogue workshops. In particular,
- Donors in the project countries have had very little exposure to the project, in general. In most cases, their knowledge of the project came from the electronic or hard copies of the newsletters and other materials disseminated by the project. However, given that donors interact regularly with civil society representatives, including the project partners in most cases, it is expected that there are opportunities for showcasing useful insights from the project at some of these interactions. Whether partners have been able to effectively articulate the project's key findings at these interactions, keeping in mind the contexts of these interactions, is not possible to establish. In countries where CUTS has a regional

office (Kenya, Zambia, Vietnam) the donors' awareness of the project has been higher, because of the exposure to other projects being implemented by CUTS, and also the high visibility CUTS has been able to attain internationally on trade issues.

- Other line ministries: While most of the discussions and policy actions have been directed at the trade ministry, unfortunately, there has not been a serious attempt to engage with line ministries in the key economic sectors in the project. The ministries of Agriculture, Fisheries, and Textiles are very important in most of the project countries, as these sectors are among the major trade sectors and engage large sections of the population, particularly the economically weaker sections. Finance and Planning Ministries too have not been addressed prominently. For the effects of positive trade policies to take place, it is important that other sector level initiatives and resolution of bottlenecks be addressed concomitantly. Donors and development partners have pointed out this as a major challenge in their efforts toward development support, and the involvement of CSOs would only add more momentum to these efforts. Engaging with these ministries is even more important to implement and seek benefits from the preferential trade treaties like AGOA and EPAs.

145. Benefits to trade actors and final beneficiaries:

- Even though it is difficult to trace results for specific beneficiary groups, some results could certainly have been targeted at the level of the sector or sub-sector chosen for the case studies. However, the project activities have not been designed with a results-based orientation, for instance, perception studies- problem statement – consultations- advocacy actions – engagement with policy makers- problem resolution. This could have been undertaken at the sector level, by partnering with appropriate sector-based organisations. However, the project stayed at the general level in analyzing and presenting the linkage between trade and poverty reduction. Even in some cases where such a demand was articulated, for instance in the regional workshops in Zambia, the project was unable to respond due to its design and implementation mechanisms.
- The project had originally provided for a number of producer-consumer dialogues, to build the trade linkages in the export sectors having the greatest poverty alleviation potential. This was subsequently dropped and substituted with regional capacity development workshops. While the evaluator considers that producer-consumer dialogues may be outside the skills of CUTS and its partners (there are far more specialized actors like CBI, ITC and regional chambers of commerce that can do this much more effectively and efficiently), the induction of other specialized partners would have ensured some direct gains for beneficiaries in the sectors selected by the project, particularly through an improved understanding of practical market access issues. In fact the only visible contribution claimed by the project in Zambia is the successful arrangement for local procurement of vegetables by a South African supermarket chain SPAR, based on useful ideas that emanated from the regional workshops, where specific bottlenecks (coop registration, and traders' license to be issued by the government) were identified, answers provided by the local government official, and eventually the license obtained with the assistance of the local CSOs present at the event.

- The regional dialogues were attended by local CSOs and in some cases producer groups. It would be unrealistic to assume that the deliberations of the case studies of the project and a debate on trade issues at the aggregate level would be considered relevant for the local stakeholder. This is where the project has gotten diluted: although it shifted away from the original concept of national dialogue, it did not adapt to the local context, and retained its original static content of the case studies done in 2005. To put it crudely, at the level of a local producer or trader, the abstract term of trade needs to be contextualized into a tangible- a banana, maize or fish, having meaning in the daily lives of the community around him/her. Accordingly, the results of trade interventions need to be seen in the context of how livelihoods based on these tangibles are transforming as a result of a benign policy initiative or action.

4.4 Cost Effectiveness:

146. Given the large number of activities undertaken, an analysis of cost-effectiveness was attempted for the most resource-intensive activities, which were expected to generate the most results for the project.
147. **Allocations as per budget:** 2.3 million euro, over 15 beneficiary countries. Considering that very small budgets have been allocated for Netherlands and UK, the average activity-based expenditure for the project is estimated at around 160,000 euro per country, after excluding an 8% administration cost for project headquarters. This translates into roughly 40,000 euro per country per year. The lion's share of the budget- almost two-thirds- is for meetings and conferences, while less than 7% is toward advocacy materials (mostly for publication of advocacy document and campaign kit) for distribution to stakeholders across the project countries.
148. According to the contracts signed with project partners, each partner was entitled to 63,000 US Dollars (around 50,000 euro, exchange rates ranging 1.19 to 1.32 during 2005-2007) for in-country activities, spanning the entire duration of the project. This budget includes four national dialogues, two perception surveys, preparation and distribution of advocacy document and Campaign kits, and costs for writing news articles. This implies that nearly over 110,000 euro per country has actually been allocated toward CUTS project staff and the multi-country activities: international conferences, regional conferences and capacity building workshops, which were to be covered by CUTS- CITEE directly. In each of these events, costs of one participant from each partner were covered by CUTS- CITEE. In itself, this design indicates that the thrust of actions under the project was rather at the regional and global level than at the national/local level.
149. Therefore, it can be inferred that the project resources have not been directed to achieve concrete results from advocacy at the local level, and the thrust of the project has been to secure high international visibility on the issues. While the thrust is justifiable, the evaluator believes that the major responsibility for pro poor policy actions lies with the national stakeholders, and the international community can at best play a supporting and secondary role in this process. It is also increasingly being accepted that particularly for

LDCs, the greater challenges in trade lie in the domestic, supply side lacunae, programme implementation, and institutional capacities. Given this reality, the project should have drawn from the multi country experiences and directed the bulk of its advocacy actions at the national stakeholders.

150. **Regional and International Conferences:** Given the intense focus on meetings and conferences, travel and related costs have taken up a large chunk of project budgets, and show up very little in terms of outcomes.

- An international conference on Civil Society Organisations and Aid for Trade⁷ was held in Nairobi in March 2007, and was attended by 62 international participants, including project partners. A sum of 60,000 euro has been claimed for this event, i.e., nearly 970 euro per participant.
- In 2006, two regional conferences were held, one in Thailand, and one in Nairobi. These conferences focused on the various trade related capacity building initiatives for development and poverty reduction. Both events consumed far less than originally budgeted, and entailed 27,500 euro in expenditure against the 55,000 euro budgeted. In all, over 80 participants attended these events (30 in the Thailand event), implying close to 345 euro per participant.
- The progress report for 2007 mentions that three regional conferences were planned (combining events for eastern and southern Africa), to discuss the efficacy of the TDP project in engendering policy recommendations and how trade reforms can aid in sustainable economic development for all. Instead, these events were rescheduled to March 2008, and oriented directly to feed into the UNCTAD XII conference in Ghana, in April 2008. The two events entailed an expense of 82,500 euro, and were attended by less than 100 participants. This again translates into over 825 euro per participant.
- In 2007, 40,000 euro was shown as spent on regional conferences in Europe, as certified in the financial statement for Jan-Dec 2007. The progress report narrative mentions only one international workshop organized by CUTS LRC, a workshop on the Integrated Framework, held in Geneva in October 2007. With a participation of less than 65 persons, this translates into over 600 euro per participant.
- Regional Conference in Europe on Aid for Trade: In the project proposal, initially, four producer-consumer dialogues were to be held in Europe under the project. However, this was amended subsequently, and instead, regional conferences on Aid for Trade were to be held in 5 cities, to be organized by CUTS London Resource Centre. A budget of 60,000 euro has been earmarked for the same. The event in UK was held in June 2008. Three subsequent events have been held in Netherlands, Denmark and Germany in December 2008, and the fifth has not been held. Again, based on the average attendance of 30 persons, the unit cost is estimated to be 500 euro

151. Based on the above data, it can be inferred that the regional and international conferences were rather cost-intensive, ranging from 300 to 1000 euro per participant per event. The fact that these events were regional or international in nature implies that the profile of

stakeholders targeted in these events was international: development agencies, donors, trade negotiators in developed countries, etc. The main results from these events are expected to be awareness generation and sensitization, which are necessary but not sufficient conditions for suitable changes to manifest at the policy and programme implementation level. In contrast, the national dialogue events, which entailed a maximum of US\$ 10,000 each for 30 to 60 participants, were more cost-effective, purely in terms of the awareness and sensitization aspects, and were directed at stakeholders that were key to implement any domestic pro-poor policy changes.

152. In the evaluator's view, the ratio of in-country and multi-country expenditures should have been reversed, with a significantly larger chunk of budgets earmarked for intensive local advocacy campaigns, based on specific findings from the project, and a few high visibility networking events at the international level. This is on the assumption that the project's objectives were primarily to induce pro-poor trade and development policies, which, by implication, are incumbent more on domestic than international stakeholders.
153. **Human Resources:** Of the total budget of €2,302,650, an amount of €258,000, -approximately 11.2% - was allocated for personnel costs, to cover the costs of two personnel (one Coordinator, and one assistant) at each of the CUTS locations in Jaipur, Nairobi, Lusaka and London (*the resource centre at Hanoi did not come up until 2007 and has not been funded from the TDP budgets*). It is understood that these persons were to dedicate 50% of their time for the TDP activities in the locations under their jurisdiction. Analysis of the actual expenditure reveals an overrun of 44% in personnel costs, east and southern Africa which ended up at 372,000 euro, compared to the 258,000 euro budgeted initially.
154. In many of the resource centres, the evaluator considers the actual time spent on the TDP to have been considerably low in 2007 and 2008, given that the only *activities scheduled for these years were the one-day National Dialogue events or three, one-day regional workshop events*. Therefore, assuming that not more than 30 days of full time involvement would have been necessary for project activities in 2007 and 2008, then, purely from a per diem cost perspective, the annual expenditure of 93,000 euro for personnel costs for about 30 days of involvement, i.e. over 500 euro per diem, seems excessive. The point made is not that the unit rates are high, rather, the utilization of human resources has probably been suboptimal, and this is corroborated by the low levels of advocacy engagement with local stakeholders.

Table 9. Personnel costs for CUTS offices, euro

Personnel	Budgeted	Actual
<i>Project Coordinator</i>		
Jaipur (50% time)	24,000	36,000
Nairobi (50% time)	48,000	96,000
London (50% time)	60,000	120,000
Lusaka (50% time)	36,000	Clubbed with Nairobi
<i>Project Assistant</i>		

Jaipur (50% time)	12,000	12,000
Nairobi (50% time)	24,000	36,000
London (50% time)	36,000	72,000
Lusaka (50% time)	18,000	Clubbed with Nairobi
Total over 4 years	258,000	372,000

Source: Project Proposal and Accounting Reports

155. **Advocacy actions (Campaign kit, Advocacy Documents and National dialogues):** The budget for the principal advocacy materials of the project, i.e. the campaign kits and advocacy documents, was €150,000, or about 6.5% of the total outlay. The printed advocacy materials, which have been circulated widely (15000 copies of the campaign kit and over 10,000 copies of advocacy document), were produced at a price of \$ 5 each, and are considered a cost-effective yet permanent repository of the project, which can be referred to frequently, and are written in simple layman’s language.

156. However, adding the cost of the national dialogue events (€300,000), which by definition have advocacy as their prime aim, the spends related to advocacy are estimated to be 19.5% of the project expenditure. The fact that less than 10% of the attendees at these events were policy makers and donors, the results and cost-effectiveness of these events, particularly in 2007 and 2008, are questionable. In the evaluator’s assessment, at least one workshop each year should have focused on stock taking/ deliberations on pro-poor policy developments with trade as a key ingredient, and these workshops should have concentrated on the participation of government ministries, institutions and development partners alone.

4.5 Impact

Whereas effectiveness focuses on the intended outcomes of an intervention, impact is a measure of the broader consequences of the intervention such as economic, social, political, technical or environmental effects; locally, regionally, or at the national level; on the target group and other directly or indirectly affected parties.

157. In the absence of a listing of intended outcomes and impacts in the project, the evaluation has attempted to list some of the possible outcomes for the project, issues of attributability notwithstanding:

158. **Evidence of well-articulated, pro-poor trade policies in the National Development Strategies, clearly reflecting the use of trade as an engine of development and poverty reduction:** Integration of trade into the national development strategies has been one of the main thrusts of the development community. LDCs and other developing countries have received support from the Integrated Framework and other programmes to conduct

Diagnostic Trade Integration Studies, national Export Development Strategies, and other necessary preparations while preparing their PRSPs and Development Plans, which receive donor support. Increasingly, governments have been consulting other stakeholders, including CSOs for inputs and suggestions on the formulation of these strategies. In all the four countries visited, CSOs have confirmed their increasing involvement by government in formulating the PRSP and National Development Plan documents. Of course, the treatment of the trade sections varies considerably in content depth (the evaluator perused the trade sections of the PRSP/Development Plan documents of Bangladesh, Vietnam, Uganda and Zambia), and some of these documents lack sufficient detailing of the strategy to be used for poverty reduction through trade. In such a situation, the TDP evidence only strengthens CSOs and government stakeholders to reinforce the trade-related elements of development planning. The fact that all of the TDP partners see the PRSP/Development Planning documents as key influence items for themselves is an indication that the project has contributed to the increasing influence of CSOs on the planning process in these countries.

159. **Implementation of adequate domestic safeguards to protect vulnerable sections against the adverse impacts of trade liberalization:** There have been some examples in the duration of the project, of countries acting through WTO compatible trade measures, to intervene and protect vulnerable sections in the face of import surges or other major distortions in the domestic markets. Some of these illustrations have been in the sectors studied by the project. For instance, the interventions by the government of India in the edible oils sector (scrapping import duties on edible oils at a time when domestic prices rose alarmingly, while still prohibiting import of oilseeds, and re-imposing import duties after the prices stabilized); and Zambia's short term bans on maize exports to rein in domestic prices at a time when regional shortages were severe and (highly profitable) maize exports created shortages and higher prices in the local markets, are interesting examples of the prompt intervention by government in face of special exigencies. It must also be mentioned that in both these cases, there have been trade-offs between the conflicting interests of traders, consumers and producers across the value chain, and the decisions were based on protecting the economically weakest and therefore most vulnerable consumers. Both are cases in which a completely liberalized trade policy could have had disastrous consequences for large sections of the poor. It could be argued that open markets would have also balanced the gains for all groups, but the reality with agriculture commodities can be more complex. However, as observed by the evaluator, the project partners have not participated in engendering such measures, and indeed, many partners have lacked sufficient understanding of safeguard provisions in the agreements signed by their countries.
160. **Thrust toward employment generation through enhancement of productive capacities in export-competitive sectors:** There have been sharp contrasts among project countries in the development of productive capacities in sectors/ products that have been identified as having trade potential with employment creation and resultantly development gains. Countries like Bangladesh and Vietnam have been able to develop one or two robust exporting sectors, which have already tested some market shocks in the duration of the project, and have proved to be resilient. On the other hand, in some African countries, the

available market access windows have not been converted into actual exports, due to a combination of several administrative and political factors. The main challenges lie in the absorptive capacities of key stakeholders in government to implement the export sector strategies, despite the access to support from donors and development partners. Weak private sector and civil society organisations, and an absence of sector development institutions, besides financial constraints exacerbate the implementation of identified export development plans. Here again, the project did not focus specifically on institutions other than the trade ministries, to be able to influence or sensitize other important stakeholders in the government and actors in the productive sectors.

161. **Development/ conversion of preferential market access opportunities enabled through trade partnerships:** all the project countries are engaged in a number of trade negotiations: multilateral, bilateral and regional, to secure the best possible market access and trade preferences in their national interests. The major ongoing negotiations are the regional agreements between EU and African countries. A number of trade capacity development programmes have been funded by donors, and the trade capacities of negotiators have been substantially enhanced over the past ten years. Each country has a small but well versed team of trade negotiators in Geneva as well as in the Trade Ministry, and there are stakeholder consultation mechanisms which have involved both civil society representatives and private sector. Civil society participation has been active in trade negotiations and stakeholder consultations on trade issues, and particularly evidenced in EPA negotiations with ESA and SADC. CUTS and its partners have been at the forefront in these consultations, and highly visible at national, regional and international forums. Despite some contentious issues in ongoing discussions, there is ample evidence of a net increase in market access opportunities under the existing trade treaties and trade preferences, particularly for the LDCs. Therefore, there needs to be a reorientation at least partly address strategies and programmes to avail these additional export opportunities.
162. **Resource allocation into productive sectors:** National Development Plans need to reflect increased and prioritized allocations towards productive sectors having high impact on poverty alleviation through trade. The shortage of internal resources in LDCs implies that these initiatives also need to be supported through development assistance including bilateral, regional and multilateral instruments. At least in all the countries visited by the evaluator, there is clear evidence of donor commitment to increase funding in trade related areas, including for sector and institutional development. Donors have also created coordination mechanisms to ensure lack of duplication in aid efforts, and have instituted a division of labour in the monitoring of government plans using development assistance. For instance, the DFID leads private sector development initiatives in a number of African countries, while the EC leads trade capacities initiatives. The project has not particularly focused on monitoring of programme implementation under the National Development Plans or their equivalent, despite being connected with the review mechanisms established by donors in all these countries.
163. **Trade support programmes and capacity development:** It is clear that there is a need for increased donor support toward trade development support, and there are high expectations on Aid for Trade to adequately respond to the trade related financial requirements of developing countries. Effective deployment of the Enhanced Integrated

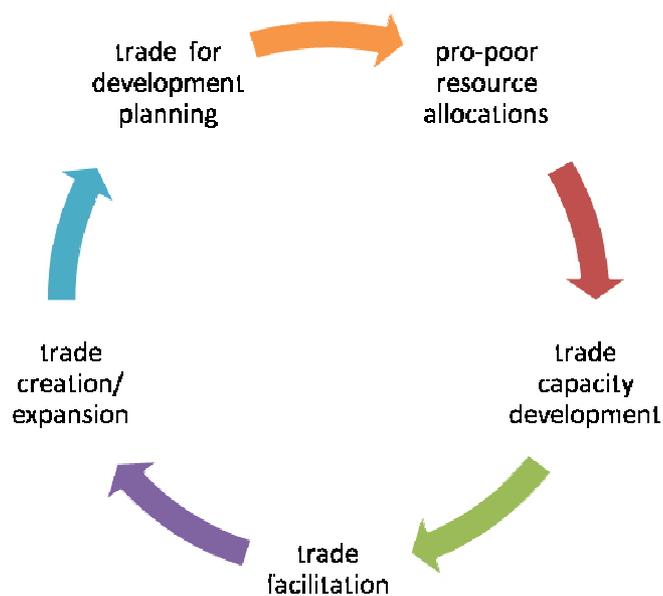
Framework and other AfT funding instruments can augment resources for trade related development, but recipients also need to demonstrate strong absorptive capacities and also become better demanders. The evaluator considers at least some project countries to become more aggressive in this respect, to respond to their newly created trade opportunities with EU. The project has sensitized both donors and recipients perhaps more than any other intervention, on the AfT, and this is likely to be followed through by more export-ready LDCs with greater absorptive capacities to implement export development programmes.

164. Other quantitative indicators:

- Increased investments by private sector, in export-related activities:
- Increase in trade in labour-intensive goods and services, particularly goods and sectors engaging poorer sections:
- Increased employment and improvement in livelihoods/ income levels through participation in export related economic activities:

The assessment of these impacts, which can clearly be measured by baseline studies, has not been possible due to the absence of any baseline data, and more importantly because the project did not direct its attention to addressing trade development challenges other than trade policy formulation. Therefore, even though investment, employment and income trends can be measured in sectors contributing to exports, the fact that the project did not endeavour to influence these indicators makes it irrelevant to measure these for the purpose of the evaluation. However, the project could have mapped and monitored the key policy and programme actions in the export thrust sectors in each country, over the four year duration, which was not done. In fact, the guidelines for the country case studies prescribed coverage of the key policies and programmes relevant to the sectors studied, but no further monitoring was done during the project, again due to the project design and lack of appropriate direction from the advisory committee.

165. Project Limitations in creating impacts: The thrust of the project's intervention logic has been to positively influence trade policy to lead to poverty reduction. The process by which such an impact can manifest has been illustrated in Fig.1. It can be seen that the circle of influence of trade policy is rather limited, and can at best address the issues dealing with expansion/channeling of markets for a country/sector's goods and services. The basic logic is that under a favourable policy environment, trade can lead to expansion of output; in turn, expansion of employment/livelihoods; leading to expansion of incomes; and eventually improvement of living standards. Even tracing this chain of cause and effect, it can be seen that the project theme has focused only on one element: the mainstreaming of trade in development planning. Therefore, the intervention is not considered adequate to qualify for an impact-level assessment at the level of the final beneficiaries i.e. people participating in trade across the value chain.



• Figure 1 Trade Policy Impact Framework

166. It is important to realize that while trade is used as a single aggregate term encompassing all the goods and services passing through a nation, any attempts to influence it only at the aggregate level could have different impacts across products, sectors and markets. Therefore, in a sense, pro-poor trade development is all about using available policy spaces toward nurturing and guiding the character and composition of trade such that it improves or has a positive effect on the lives of the poorer sections of society. Therefore, the elements of benign or pro poor trade policies need to be found in the sectors that engage the larger sections of the weaker, poorer and more vulnerable groups. In many countries, these vulnerable sections are to be found in the agriculture and other primary sectors.

167. Accordingly, for trade to result in reduction of poverty, the following characteristics need to be present across sectors, depending on the level of their development and maturity:

• **Incubation:**

- New opportunities
- sector development strategy (pro poor)
- Targeted support to trade creating sectors

• **Expansion:**

- Output volume
- Value – nominal and real terms

• **Dispersion:**

- Aggregate increase in employment/ livelihood creation (overall, and for poorer sections)
- Increased participation of weaker/ underprivileged sections (income and gender aspects)

- **Consumption:**
 - Increased income
 - Increased consumption power in real terms
 - Increased access to basic services (health, education)
- **Retention:**
 - Institutional development
 - Skills enhancement
 - Technology upgradation
 - Competitiveness
 - Enabling framework
 - Sustainability
- **Mitigation:**
 - Risk assessment
 - Diversification
 - Redeployment

168. All of these aspects are rooted in policy and development planning strategies, involving a number of government functions and ministries: industry, education and human resources, agriculture, social services, finance and planning, besides of course trade. Using the above logic, it is apparent that, for any pro-poor development policy to be effective and sustainable there needs to be a multi-pronged approach, including a sequencing of interventions depending on the state of evolution/ sophistication of the trade basket, and of individual items in the trade basket. This implies adequate appreciation and expertise in a number of areas and engagement with several categories of policy makers. Unfortunately, nearly all the attention, in the TDP project and indeed many other projects dealing with trade, remains directed only at the Ministry of Trade.

4.6 Sustainability

169. **Policy support measures:** The sustainability of initiatives to strengthen the trade-development-poverty linkages calls for a favourable policy environment, not only in trade policy, but in other areas as well. In this respect, the involvement of CSOs, donors and multilateral agencies has been instrumental in setting the policy directions right in most countries, barring a few having political and economic instability. Therefore, the overall intent and the broad direction of policy reforms is positive in most developing countries, even though the pace varies, and there are snags in implementation.

170. **Political support:** one of the most encouraging aspects of the TDP and other projects being implemented by CUTS is that in most countries, they have enjoyed support of the governments in both developed and developing countries, largely due to the reputation and image CUTS international has developed as a champion of the interests of small and

marginalized stakeholders from developing countries. CUTS has also built a global alliance of CSO partners with strong local advocacy and outreach skills, and is well placed to undertake sensitization and awareness generation programmes such as the TDP. As to its image before donors, CUTS is perceived as having a middle-of-the-road, pragmatic approach on trade issues, without the ballistics of some other international organisations, which can embarrass some stakeholders and, as a result, derail the dialogue instead of taking it forward. CUTS has deftly struck the balance between its mandate of representing the small stakeholders in developing countries and its financial dependence on the donor agencies in the developed world, which continue to support its programmes without driving the agenda. CUTS is also recognized as an international CSO with strong local/regional presence in many regions: South Asia, South east Asia, East Africa, South Africa, and Europe. This makes it among the few international organisations to be involved on domestic consultations on trade and development policies and programmes, at the invitation of local governments. All these factors have resulted in a continued funding for CUTS projects in various regions of the world.

171. **Follow on projects:** CUTS and its partners have already been able to obtain funding for projects closely related to the TDP, which would lend to continuity to the project's work on trade and poverty linkages. The evaluator came across two such projects: the MINTDEV (Mainstreaming International Trade in National Development Strategy), a two-year project in south Asia, and Fostering Equitability in Accountability in the Trading System, being implemented by CUTS Geneva Resource Centre. Some of these projects have similar objectives and activities as the TDP, even though their titles are different. For instance, the MINTDEV project addresses the problem of social exclusion of trade policy-making and its implementation in developing countries, and seeks to find insights into areas such as:

- How to embed social and political considerations into trade policymaking?
- How to engage civil society into trade policymaking in a socially inclusive manner?
- What are the conditions necessary for mainstreaming trade into national development strategy?

172. Institutional factors:

- **Government-owned institutions:** The exclusive focus on trade policies, both under the TDP project and among CSOs in general is likely to bring marginal results in future, unless there is a strengthening of other institutions, particularly key agencies under the line ministries- finance, planning, agriculture, human resources, industry, etc. The findings of the TDP research and feedback from donors suggest that absorptive capacities and execution capacities need to improve significantly to implement development strategies and plans, to ensure poverty-alleviating economic growth, with due contribution from trade. Building institutional capacities in government institutions can be challenging in the absence of adequate political support, particularly if it is driven by donors.
- **Sector and export development institutions:** Eventually, trade development is rooted in products and markets. For products and sectors to be export competitive, an

overarching sector development framework is essential. Strong sector level export development institutions hold the key to sustainable development and diversification of exports, as shown by the examples of some developing countries like India and China.

- **CSOs:** One major challenge faced by CSOs is the institutionalization of the knowledge and experience gained from projects such as TDP. In the past ten years, CSOs have intensified their work in trade areas, spurred by the growing demand from stakeholders, the high visibility of trade issues, and increasing donor support for trade support programmes. Trade became a must-have part in the CSO portfolio. Low paying capacities also limits the attractiveness of CSOs for persons who are suitably qualified in trade issues, and most CSOs are staffed by persons with social science and/or communications training, rather than economics and trade specializations. Most CSOs, in the absence of core funding, experience high staff turnover, mainly on account of their high dependence on project-funding for maintaining staff resources, and partly due to the relatively low remuneration paid to specialist staff, which only encourages exit on account of monetary considerations. As a result, CSOs tend to remain weak in trade related capacities. The high turnover of staff makes past project references irrelevant in the selection of CSOs for trade related expertise.
- **Resourcing of CSOs:** Lack of local resources, high dependence on donor grants, need for endowment funding. Assured medium term budgets and grants to recruit suitably skilled staff would support the efforts of leading CSOs to develop local capacities in trade and development issues. The initiative of CUTS in opening resource centres in major locations is a good effort in this direction, and it is possible to develop these RCs into regional centres of excellence among CSOs, through core endowment funding. In the absence of such support, CSOs are unlikely to be able to develop strong trade related competence to result in effective advocacy.

173. **Economic and financial aspects:** Sustainability of development policies and initiatives cannot be considered in isolation of the overall macroeconomic stability of the national and global economy, and the environment for capital flows into productive sectors and trade. The recent havoc wreaked by the turmoil in the global financial system has perhaps had far greater consequences on weaker countries dependent extensively on export markets and higher exposures to the US dollar, outweighing the potential for positive impacts of any domestic measures. Similarly, impressive trade performance driven by external factors rather than market competitiveness (metal price trends for instance) can lead to unintended negative effects such as currency appreciation, which can affect domestic markets adversely, and increase costs, Zambia's kwacha appreciation being a good example in the project itself. Similarly, trade expansion also needs to be accompanied by an enabling environment for investment, and assisted by efficient financial markets, to improve the access to institutional commercial borrowings at competitive rates.

174. **External factors:** Increased participation in the global economy brings with it a greater exposure to external challenges and countries differ in their capacities to adequately respond to these external shocks. The current economic downturn in the world's biggest economies has major implications for exports from developing countries, given the prospects of a reduction in consumption. Already the effects are observable in trade in

textiles, gems & jewellery, and tourism, which account for significant share in exports for a number of LDCs and developing countries. Similarly, the fluctuation of the US dollar and the surge in crude oil prices are externalities that have had wide-ranging effects for trade developing countries, and in some cases disrupted the growth and development trajectories, despite positive approaches toward trade liberalization for poverty reduction.

175. In the context of the above aspects, it is clear that the project has focused only on a few areas, and the sustainability of the project's efforts is subject to a number of larger issues, particularly in the economically weaker countries. However, it is evident that the increased involvement and results-effectiveness of CSOs would be the most important elements to ensure that efforts like the TDP have appropriate influence on the course of poverty alleviation strategies in countries.

4.7 Challenges and Constraints

176. As part of an internal assessment exercise, CUTS Jaipur undertook a questionnaire survey of all its implementation partners to assess the main lessons learnt, challenges faced, and the local results of the projects in terms of outreach and contribution to the policy debate in these countries. The summary of the responses from a number of partners has been tabulated and provides a useful insight into the challenges and constraints faced by the project. The main areas identified by partners have been listed below:

- Lack of adequate data, and lack of capacities at national statistics organizations
- Absence of a peer review process for checking the findings and conclusions
- Difficult to find suitably specialized resource persons
- Continuity of dialogue is difficult given the rotation of government officials
- Lack of resources to follow up on recommendations generated at networking events
- Difficult to convince government officials to adopt recommendations from CSOs
- Motivating NGOs to engage in trade issues is difficult; collaborating with grassroots organizations requires more analysis of their capabilities and limitations.

177. These self assessments are in line with the evaluation's assessment of the challenges; however, there are additional challenges to the effectiveness of projects such as the TDP, which are analyzed below.

178. **Scale issues:** the one-size-fits-all approach should be reviewed, given the large differences in size and spread of stakeholders in the various project countries. National budgets should have been variable according to the size, to allow for effective regional dissemination.

179. **Credibility of Civil Society Organizations:** These challenges pertain to the characteristics of the CSO universe, and need to be addressed with a view to improving their effectiveness in any advocacy oriented initiatives.

- **Trade and sector-related capacities:** The resource constraints of CSOs hinder their ability to attract and retain specialist talent on technical areas, including trade, and more particularly, sector level issues. This attenuates their analytical or evidence-based

advocacy considerably, and does not lead to credible defence of major hypotheses. Accordingly, CSOs need to reinvent themselves to be able to be effective negotiators and demandeurs, and temper their passion with cold logic to argue out their concerns and apprehensions before government, donors and even some partisan sections within society. The future CSO would need to be multi-disciplinary, well-versed with industrial sectors and trade in practice, well-networked internationally and technology savvy, in order to be able to forcefully present any arguments in defence of its constituents.

- **Pragmatic approaches:** There is a tendency among CSOs to look for all the answers for pro-poor trade in trade negotiations and trade policy, which are only the starting point for pro-poor trade to take place. In fact, the evaluator contends that for LDCs, there is already sufficiently enhanced market access opportunity on a preferential basis under the various GSP and other preferential trade instruments. The more immediate challenge is how to take advantage of these preferences while the window remains open, i.e. until the preferences last. For instance, the poor utilization of preferences under AGOA and the Cotonou/Lome Convention by a large number of African countries is a clear indication of the inadequate attention to harness available opportunities even modestly, while debating the fairness of the concessions offered. This is not to defend the offers by developed countries in any way, but to say that a trade negotiation focus is not sufficient in itself, and we must learn to work with the hands we have been dealt, even as we hope for evidence of better things to come. This pragmatism seems to be missing in the CSO community at large.
- **Limits of advocacy with government:** Traditionally, government actors have been wary of engaging with CSOs, given the popular (to an extent, evidence-based) perceptions that CSOs, with their extreme positions and ostentatious displays of criticism of governments can cause undue embarrassments on sensitive issues of public interest. It is also natural for individuals in government to question CSOs self-assumed custodianship over the interests of the underprivileged sections of society, on which both politicians and government agencies stake their claims too. Even though the resultant wariness and avoidance of CSOs has given way to a more open and inclusive dialogue environment in recent years, some CSOs realize that the newly found privilege of being consulted by governments comes with some restrictions: over aggressive postures tend to only isolate CSOs from the consultations, and this runs counter to the very interests CSOs seek to pursue on behalf of their constituencies. As a result, there is an invisible line which cannot be transgressed, beyond which issues cannot be pushed hard with government, and CSOs need to remain mellow demandeurs if they are to be invited to dialogue. CSOs need to find this delicate balance as demandeurs and also come across as stakeholders who do not threaten the government's public image or credibility.

5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

5.1.1 *Relevance*

180. The future focus of the project or similar projects should be more on effective programme implementation instead of policy dialogue, which is only a necessary but not sufficient condition for poverty alleviation. There is a need for re-designing the project intervention to involve other key stakeholders in government, and also private sector institutions and sector-level actors.

5.1.2 *Efficiency*

The project did not have structured project review mechanisms, and was not monitored adequately by the internal advisory committee or by donors. Qualitative backstopping and project monitoring arrangements were seriously inadequate. Frequent changes of personnel at Project HQ, regional centres and in some implementing partners led to serious discontinuities in project follow up.

181. In the absence of a results orientation and specific targets at the national level, project partners conducted their activities mechanically, with practically no accountability for local or national level results in terms of the project objectives. Course corrections could not be attempted due to the challenges faced at HQ and the resultant inability to undertake frequent reviews.

182. While retaining the factual positions on efficiency, the evaluator considers it fair to also point out that the TDP is an immensely complex project from a planning, coordination and logistics point of view, with its spread across 13 countries. CUTS has never implemented a project of this scale in the past, and many of these experiences are first time experiences for CUTS. Perhaps, efficiencies could have been higher in a geographically smaller project. This again points towards a design flaw as much as an execution issue: a thorough appraisal of the project proposal and resource requirements would have raised some of these concerns at the initial stages itself.

5.1.3 *Effectiveness*

183. The absence of a clear Log Frame and Results Matrix resulted in an absence of results-orientation for the project, particularly at the local/national level in the partner countries.

As a result, the project became a mesh of pre-agreed activities and lost focus in the latter part of its duration.

184. Despite a large overall global budget, the spread of activities was very thin at the country level (3- 5 days per year in each country, over 4 years). The project did not have the minimum threshold in terms of scale and focused, intensive activities, to make any measurable difference in the local context. Despite a significant aggregate funding, the budgets assigned were too small to ensure adequate national coverage in many, particularly large, countries.
185. The implementation horizon- four years- was too long for the project's initial conclusions to remain fully relevant for advocacy. The realities in the selected sectors had changed but not duly updated in the project in subsequent years. Issues were complicated by the lack of continuity of project staff in implementing partner organisations including CUTS regional centres and HQ itself.
186. At the implementation country level, the project had rather limited engagement directly with the principal stakeholders influencing reforms, despite four years of activities, and did not involve industry stakeholders to endorse/ comment on the stakeholder perceptions reported by the project. As a result, the project remained somewhat isolated and did not gain due consideration as an advocacy input in local policy actions, despite recognition of CUTS's activities and influence on trade policy issues from a poverty reduction perspective .

5.1.4 Impacts

187. Given that the project had insufficient engagement with the principal domestic stakeholders influencing reforms, there cannot be substantive claims by the project towards impacts on poverty reduction, other than sensitizing a number of stakeholders at national, regional and global levels, of the range of effects that trade liberalisation can have on poverty reduction. A number of impact indicators have been identified by the evaluation, but, in the absence of baselines, it has been difficult to measure the changes on the ground, whether intended or unintended by the project. However, such an exercise is possible in case a further phase is sanctioned.
188. On the other hand, the project has had sufficient visibility and has been able to voice the concerns and lessons learnt from the project at the highest international forums, and have engaged with the development assistance community at multiple occasions. This is expected to have some impacts on the formulation of the AfT architecture, and also increased donor allocations for trade, with an intensified pro-poor focus. The fact that CUTS has received further funds for follow-on projects is an indicator of continued donor support to the intents of the project, and recognition of the sensitization the project has had on development partners.

5.1.5 Sustainability

189. For CUTS, sustaining the efforts initiated by the TDP is not seen as an issue, given the number of follow-on projects with similar themes already getting funded and commencing implementation even during the TDP's continuance. The continued donor support to the civil society initiatives toward trade environments delivering results in terms of poverty reduction indicates the strong appeal of the concept.
190. However, the implementation of the TDP calls for introspection on the project implementation skills in CUTS and its regional partners. The selection of implementation partners, and the recruitment and retention of good quality human resources over the medium term are critical factors in ensuring that projects achieve their target results and generate measurable and eventually sustainable impacts.

5.2 Recommendations

191. It is understood that CUTS International has submitted a proposal for a second phase of a TDP-like project. While the evaluator does not have any details of the same, the recommendations made below are being made to assist in an improved formulation based on the findings of this evaluation.

192. Project Design:

- Log Frame and Results Matrix: Every donor funded project must have a Log Frame and Results matrix signed on by all implementation partners.
- Place greater emphasis on in-country results, taking up specific issues in the key trade sectors of importance to each country, while applying general and common principles and methodologies.
- Budgets should be made variable, and linked to the number of activities as well as size and spread of the target stakeholders in implementation countries
- In case of multi-year projects, build in scope for annual targeting of project activities and results specific to the current local context, without losing the character of the intervention logic.
- Work with measurable baseline information
- Focus of interventions should be broadened from only trade issues to address other important factors: sector constraints, institutional bottlenecks, integration and linkages, credit and financing, etc. This again needs a sector/ product grounding to be able to change poverty baselines.

193. Implementation Arrangements:

- Partner selection: Separate out the advocacy parts and research parts and assign responsibilities to specialist partners.
- Regional centres and leading eco research bodies should have longer term funding to continually monitor and track sectors and programmes, while advocacy partners should be able to identify specific actionable areas and engage forcefully and extensively with the relevant stakeholders. This will also strengthen the trade related capacities of the resource centres, which can backstop the project.

- Ownership and accountability: local partners and key national stakeholders to own the project implementation and not be only recipients of outputs without any obligations. Where possible, regional resource centres should be delegated the regional implementation of the project.
- Stakeholder engagement: It should be made mandatory to engage more often and more effectively with donors, private sector and other line ministries, under the specific context of the projects, and not in a general public forum.
- Shift to expense based line-item accounting to measure over/under utilization of resources against earmarked budgets for activities and analyze effectiveness of reassignment of resources.

194. Results Effectiveness:

- Religiously follow the log frame (with amendments as agreed upon jointly) and collect evidence using the indicators. Usually, what cannot be measured cannot be altered. In case of multi country activities, each country should have its own results matrix to measure the project's local performance and impact.
- Develop projects with shorter duration/ flexibility to provide for adaptations in ground conditions.
- Ensure that the project resources are proportionately allocated among activities, and ensure more resources are allocated to stakeholder engagement, targeted at specific results at the appropriate (local, national, regional, global) level.

195. Monitoring Mechanisms:

- Donors should insist on the continued presence of an operational advisory group and continued donor involvement, and a robust mechanism for permitting deviations from original design and documentation of the changes.

196. Sustainability:

- Activate and ramp up electronic dissemination, and use information technology extensively for digital repositories
- Create trade-related capacities and expertise on sector level issues sector level expertise in the CUTS Resource Centres, which can be replicated in other countries/ regions as well.
- Develop an endowment grant for ensuring suitably funded Resource Centres to eventually become regional centres of excellence among CSOs. Alternatively, bunch funds for several small programmes with overlapping objectives and activities into a pooled fund for a few apex CSOs in a region. This will help in reducing overlaps and duplication in work areas and aid in building collective influence while honing non-overlapping individual expertise areas.

5.3 Remedial Actions (being) initiated by CUTS

197. Though the evaluation's observations on the project, and resultant conclusions and recommendations remain valid, it is considered fair to list a few actions being implemented by CUTS in its subsequent projects, such as the MINTDEV, FEATS, and the SAFIT 3, partly as a result of the lessons learnt from this project. These actions endorse the findings of the evaluation and reflect a positive approach on part of CUTS to improve the effectiveness of its projects. During the discussions on the draft report, the following key points have been mentioned by CUTS as a response to the evaluation conclusions.
198. Advisory Boards: The ineffectiveness of having a high profile advisory board that is unable to convene regularly (if at all) in its full force has been an important lesson. Related to the issue is the need for providing commensurate budgets to facilitate their travel and related costs, which can be disproportionately high in case of large boards, compared to project activities. As a result, there have been inadequate budgets to convene advisory board meetings, Having smaller advisory boards is seen as a remedy to both these issues. CUTS's subsequent projects have tended to involve smaller advisory boards, both in number as well as the stature/ profile of the members.
199. Project duration: The long duration of projects has effects not only in terms of continued relevance of project activities in relation to the problematic, but also continuity of staff as well as counterparts and stakeholders involved in the projects. As a principle, CUTS is moving to shorter-duration project phases, although these may be linked under an overarching theme that has a longer term objective.
200. Effective engagement with stakeholders: There is an increasing realization among CUTS and its regional centres that effective policy advocacy toward poverty reduction requires more engagement with actors other than the trade ministry, particularly line ministries connected with agriculture, finance, planning and also industry bodies and sector development agencies. This has not been practiced in projects, due to lack of CSO capacities. Future projects will address this by involving these other actors in project activities and also by broadening the profile of implementation partners, to include sector level organisations.
201. Choice of Partners: There is a realization that CUTS would need to diversify its partner network and include a mix of organisations: some having good outreach and dissemination capacities and some having domain expertise in principal sectors involving the vulnerable stakeholders. In future projects, CUTS plans to include a three-month preparatory phase during which partner skills would be reviewed in order to provide appropriate support and in cases where justified, even a change of partners.
202. Logical Frameworks and Results Matrices: CUTS plans to use logical frameworks and results matrices in order to facilitate setting of objectives and target results from its interventions, and build appropriate indicators to monitor the same, through its partners. A standard template for impact analysis is proposed to be developed shortly.

203. Internal Reviews: As CUTS takes on more projects, particularly multi-country projects, internal reviews and monitoring would become even more crucial. One way of building strong internal review mechanisms is to create an internal team of project monitors to cover all of CUTS projects, using a monitoring calendar, which would provide appropriate feedback to project managers, and also issue early warnings in case of slippages. Over time, CUTS would be able to develop this into a small monitoring and evaluation unit, with persons having sufficient in-house experience.
204. Budget allocations in multi-country projects: The fallacies of a one-size-fits-all budget allocation process as used in the TDP are recognized, and future projects would have budgets linked to the size and spread of the target in implementation countries.
205. Fostering networks among project partners: One of the missed opportunities in the TDP has been the absence of networking and cross-fertilisation of ideas among project partners across the 13 countries, even within the same or related sectors, despite the long duration of the project. CUTS proposes to engage implementation partners more effectively through creating thematic or product clusters among the implementation countries.
206. Sectoral perspectives for projects: CUTS recognizes that increasingly, advocacy needs to move down from the high level trade policy dialogue to a more contextualized and sector-level dialogue. This would also imply an increasing focus on sector-specific challenges and issues that impact target beneficiaries, the experiences of which can feed into the overall trade-poverty reduction dialogue.
207. Strengthening CUTS Resource Centres to develop local CSO capacities: The biggest challenge faced by organisations like CUTS is the poor capacities of most CSOs in developing and least developed countries. One way to address this is to develop CUTS resource centres into strong regional pillars which can support local/ regional partners in capacity development on trade related issues. However, this would necessitate predictable funding for CUTS, through a Trust Fund, rather than setting aside a part of project-specific funds for capacity development.

6 FIELD VISIT REPORTS

6.1 Selection of field visit locations

208. The TORs had originally mentioned that field visits would be required to 6 countries. In the expression of interest, the evaluators made a qualification to the TOR that the final selection of field visit locations would be made by the evaluator, although in consultation with CUTS, on the basis of the following criteria:

- Mix of large and small population countries spread across Africa, Asia and Europe
- Mix of countries which have developed exports successfully and some that have faced challenges in building export sectors
- Mix of slow growing and fast growing economies
- Mix of countries based on quality of project implementation (based on CUTS's own perceptions, but to be independently corroborated by the evaluator)

209. Keeping in mind the budget constraints for the evaluation, and the need for travel to several countries, it was finally agreed to limit the field visit to four countries, two each in Asia and Africa, and carry out telephonic interviews with the CUTS resource centre in London. India being the home base of the evaluator, an assessment of the project in India was also included for country studies.

210. The countries finally agreed for the country level assessments were:

- Bangladesh: fast-growing LDC in South Asia, large population, good export performance but challenged in diversification;
- India: fast-growing emerging economy in South Asia, large population, good well diversified export performance but inadequate distribution of development gains;;
- Uganda: fast-growing LDC in Eastern Africa, mixed performance on exports,
- Vietnam: fast-growing non LDC in South-east Asia, good export performance,; and
- Zambia; slow-growing LDC in Southern Africa, challenged in diversifying exports and domestic impact of kwacha exchange rate

211. The partners in each of these countries was informed sufficiently in advance of the evaluator's visit (proposed one week per country) with the following requests:

- Arrangement of sufficient number of meetings covering all stakeholder groups: officials in ministries of trade, officials in line ministries in the sectors studied, officials in relevant industry associations or sector associations, important CSO network members which had participated in the project; authors of the case studies

and/or country reports; donor missions and important development agencies; and some primary, grassroots stakeholders that had participated in the project

- Advance circulation of the questionnaires to serve as a basis for discussions with the evaluator
- Updates of all events and activities in the project including key forthcoming events
- Copies of national development plans and PRSP documents.
- Suggestions on accommodation.
- Visa facilitation request to the respective embassy

212. Arrangements were completely unsatisfactory in Uganda, while the best arrangements were in Bangladesh, followed by Zambia. Also, the evaluator could not meet sufficient base of donors in the countries, which was mainly due to the lack of advance preparations, and also due to the non-involvement of locally based donor missions in the project. As a result, the appointments that took place focused on discussions of the donors' perceptions of the trade and poverty challenges in the countries, the state of advocacy by CSOs, and the donors' interventions for a pro-poor trade environment, including trade related technical assistance.

213. Although initially planned, in- country travel to remote regions was not undertaken due to: long inland journeys (Vietnam, Uganda and Zambia); the impossibility to meet people who had contributed to the stakeholder perceptions several years ago; and most important, the fact that the project had not engaged continually with the same stakeholders.

214. Responses to guidance questionnaires: Some partners had circulated the guidance questionnaires to the stakeholders prior to meetings, and this led to meaningful meetings in many cases. However, no partner was able to provide filled-in questionnaires from the project's key beneficiaries and stakeholders, particularly those that had not participated in or were not aware of the project.

6.2 Methodological challenges in country level evaluation

215. The fact that the project has been implemented over four years, has not had a Project log Frame and Results matrix at the country level, and the non-permanence of the institutional arrangements set up for implementation, lead to challenges in assessing efficiency, results-effectiveness and sustainability at the country level, even though all the country experiences contribute usefully assessments of these criteria in the aggregate.

216. **Efficiency:** The efficiency criterion has considerably lesser country-level significance, given the long implementation period for the project, yet requiring only a few days of engagement of the local partner per year. Partners simply responded to the activities and tasks agreed in the contract, and many of them completed these as per the provisions. Also, all partners had the same resource and the same format of activities; as a result there was no country level specificity in implementation. Therefore, the efficiency analysis has been made in the context of matching resources and outputs, in the aggregate evaluation of the project.

217. **Results effectiveness:** The absence of a Project Log Frame makes it very difficult to assess effectiveness, given that no specific, quantifiable results have been targeted in the first place. Furthermore, no country-level targets were set for advocacy campaigns in the project, even though specific sectors were selected on the basis of their potential to bring about significant change on poverty under the right policy and enabling environment. Under the circumstances, the evaluation shall attempt to quantify results as perceived by the people involved in the project, and also as assessed during interviews and other documents/ materials made available to the evaluator.

218. **Sustainability:** From a technical perspective, sustainability of the project intervention at the country level can be assessed only from two angles:

- Creation of institutions and networks to carry on the advocacy messages further, with appropriate local customization.
- Transfer of capacities and institutionalization of the trade related knowledge and advocacy methodologies developed in the project.

In both these respects, the fact that in most cases, the project alliances are temporary and specific only to the TDP, and that the project did not have appropriate activities for intensive skills and capacity development for local partners, any residual increases in capacities are likely to occur only from a pure osmotic effect of partners participating in the numerous regional and international events. To ascribe such benefits, there needs to be evidence of follow-on projects in which the TDP partners have enhanced responsibilities. This can be judged only in those countries where follow on projects with related themes are being implemented by CUTS and its partners. Therefore, sustainability has to be assessed at the level of the CUTS network and not level of the individual partner.

219. The methodological challenges reported above arose only because of the absence of a clear Log Frame and Results Matrix to guide the project and its partners along pre-agreed results and trajectories. Nevertheless, there have been several useful lessons from the country studies, which have been listed below.

6.3 Lessons learnt from country studies

220. Partner profile and selection is an important element to ensure efficient implementation, effectiveness and continuity of the advocacy and awareness actions initiated by the project.

221. The focus of CSOs of the type selected in the project should be more on dissemination and less on content creation, for which there may be other better qualified agencies in the country. Budget constraints can restrict dissemination and awareness generation of the T-D-P linkage, particularly at the regional and province levels, and potentially be inaccessible to a large section of the marginalized stakeholders.

222. It is of utmost importance to have constant exchange of lessons among programme partners in general and particularly partners in countries having similar sectors and facing similar challenges. Such contact with counterparts did not take place well enough in the project.
223. Multi-year projects should have inbuilt arrangements to bring out regular/ annual updates on the various changes in the external sector and the interventions to strengthen domestic stakeholders, and also the overall trade liberalization efforts with a pro poor focus, to bring new and relevant insights to the dialogue. Static content created a loss of interest in the project in later years.
224. The target end result of projects like the TDP is the success in influencing policy and programmes to have a more pro-poor orientation, and to see that their implementation is satisfactory, and makes a perceptible difference to livelihoods and incomes of poor stakeholder sections. This calls for consistent and persistent dialogue, drawn from cold evidence of research and experience, which needs a sustained engagement with the relevant stakeholders. Isolated and sporadic events cannot result in such changes. It is also important that the CSO networks work in unison and do not spend resources in overlapping actions and areas, in an attempt to gain individual visibility.
225. Sector studies should involve sector technical experts or at least consult them on the rationale being used in the case study. There should be an involvement of industry associations in case studies and final advocacy.
226. It is important to focus and target the multipliers, who play an important part in carrying the messages further and deeper into the stakeholder communities, and this is essential for the project to make an impression on multiple stakeholders. Content customization for the local language/ context should be included as an integral part of programme design. But sporadic events do not have any effect.
227. Building of CSO's trade –related capacities, particularly at the sector-level, and retention of specialist human resources, are also important factors to ensure sustainability of advocacy actions in developing countries. The profile of the CSOs engaged in trade issues needs to change in light of the identification of new challenges in implementing market access initiatives rather than the exclusive focus on the state of play in trade negotiations.

6.4 Vietnam (Sept 24 - 29, 2008)

6.4.1 *Relevance*

228. The project is highly relevant to Vietnam given the political, economic and social setting of the country, and its initiatives to remove/reduce poverty through progressive economic liberalization, with a prominent role and contribution of trade as an engine of growth and development.

229. Over the past 20 years, Vietnam has undertaken three stages of liberalization in becoming a free/ open market economy: the *doi moi* in 1986, regional integration in the ASEAN in 2000, and finally, accession to the WTO in late 2006. Importantly, these actions have been more voluntary than imposed by external entities as a part of restructuring assistance programmes. Vietnam has also made significant progress in its poverty reduction targets: poverty incidence has reduced from over 70% in the 1980s to less than 21% currently, with urban poverty less than 6%, according to a leading national economic research agency CIEM.
230. Notwithstanding economic growth, Vietnam also faces challenges in the development of private sector and independent civil society institutions, given its centrally-planned, command economy legacy. As a result, it still lacks strong and robust private sector and civil society communities, and, consequently, inadequate stakeholder consultation mechanisms to capture diverse views and perceptions of stakeholder groups, in taking inclusive policy decisions. On the other hand, government-supported institutions tend to have a disproportionately higher level of access to policy makers and are in a position to significantly influence pro-poor policies and strategies.
231. Several important lessons have been gained from Vietnam's recent trade liberalization experience, the most important being that the impact of trade has not been uniform across stakeholders, and therefore, trade policies should be revisited with an objective of ensuring equitable progress for all stakeholders. In such a setting, addressing regional/ community inequalities and disparities amidst economic progress becomes even more important. The project, which aims to strengthen the policy making environment through evidence-based advocacy, drawing key messages from stakeholder perceptions, is, therefore, highly relevant.

6.4.2 Selection of Partners

232. The local implementation partner for the project is the Centre for Development and Integration, Hanoi, a young organization set up in early 2005. The TDP is among the first projects to be undertaken by CDI. Even though the organization itself is young, it has an impressive leadership team, consisting of eminent and well experienced persons from various backgrounds: government administrators, industry managers, economists and social scientists, with good repute and standing. Being well connected, the top leadership commands sufficient convening capacity to undertake a project of the magnitude of the TDP, which involves engagement with multiple stakeholders.
233. CDI's focus areas are: Development and Integration, Poverty reduction programmes, Corporate Social Responsibility, Capacity Building of authorities and government institutions, Monitoring and Evaluation. CDI has also been engaged by the Vietnam government in other studies and projects dealing with Vietnam's integration into the regional and global economic community.
234. The CDI has a small staff of seven, and manages programme funds of around US\$ 200,000 annually. Administrative costs are presently close to 25% of funds. Among the projects undertaken so far are:

- Living Standards Surveys and Poverty Updates -Vietnam Academy for Social Sciences (funded by World bank, Ford Foundation and Asian Development Bank)
- Skills Improvement, Collective Bargaining, Social Dialogue, Labour Issues (funded by European Commission)
- Poverty Reduction project –High Faong City (funded by Action Aid)
- Traditional Handicrafts (funded by Government of Finland)

235. The evaluation considers the selection of the CDI as implementation partner to be a wise choice by the project, given the special context of Vietnam. Despite significant liberalization and administrative reforms, the country still does not have a well developed, independent civil society culture, which presents additional constraints in the process of stakeholder consultations and national dialogues on the state of development. However, there has been dramatic improvement, and several international institutions are highly active in the country, undertaking social and gender development initiatives, with considerable independence and without extensive government monitoring. Nevertheless, government-supported research and development institutions have greater access and influence over policy making in Vietnam. The local partner has sufficient access to these institutions, which can be leveraged for an evidence based advocacy approach as proposed under the project. Therefore, CDI is potentially in a vantage position to bring about a high visibility in these influential circles, to the activities and objectives of the TDP project.

6.4.3 *Activities and Outputs*

6.4.3.1 Stakeholder Perception surveys

236. The Vietnam Country Background document, prepared by CDI and Asia Pacific Economic Centre, covers several of these aspects, despite its restriction to be a concise document and to rely on other existing research on the subject. However, the most significant observation about the document is that it has not covered the latest and perhaps most important feature of Vietnam's trade liberalization: the WTO accession, which took place in end 2006. This is an unintended, yet significant, shortcoming in the document, caused entirely by the timing of the study. Since 2006, sufficient ground experience has emerged in both sectors selected for case studies, as to the impact of trade measures by importing countries (e.g. antidumping duties on shrimp in US and on garments and footwear in EU) on Vietnamese exporters and further upstream stakeholders.

237. Meanwhile, other institutions, notably the CIEM, have come out with later-generation studies on the impact of WTO accession on Vietnam, with examples drawn from the principal export sectors. As a result, the current utility of these documents is rather limited from an advocacy viewpoint. Also, there has not been any coverage of the assessments of the outcomes by other institutions. However, this cannot be cited as a shortcoming, given that most assessments mentioned to the evaluator by the respondents have been undertaken in the post WTO accession scenario, and there was no way the Country background document could have taken these results on board.

238. The evaluation considers it important to have a post-project update of the Country Document, which would then serve as a useful reference linking the project background as well as the developments in the trade environment at the end of the project. Where possible, this update should coincide with the last National Dialogue event. In case this is not possible, the project should have an End of Project conclave to summarize all the learning of the project, including release of updates of the Country background studies as well.

6.4.3.2 Sector Case Studies

239. In Vietnam, the two sectors selected for case studies were: Shrimps; and Garments & Footwear. Both sectors have made significant contributions to exports and employment creation in Vietnam.

240. **Shrimp.** The case study drew stakeholder evidence from only one province Ben Tre, in the south of Vietnam, which is one of the main locations of Vietnam's shrimp industry. The selection of only one province was based primarily due to budgetary constraints: the entire allocation for the case study was only US\$ 5000. yet, the province can be considered fairly representative of stakeholders across Vietnam's shrimp industry.

241. The study provides a balanced analysis of the positive impacts of trade liberalization on the farming communities in the province, as well as ensuing challenges from the integration into fiercely competitive export markets, in which operators compete with capital-intensive as well as low-labour cost factors. The most important lesson in the study is that small stakeholders are more vulnerable to downslides in market conditions, given their lower capacity and capital to upgrade their operations and increase productivity, and also lack safety nets or alternative livelihood options to exit from shrimp farming. Consequently, the analysis concludes with a call for action on part of the government, which includes a mix of sector-specific infrastructure, support for technology upgradation, market access, and community management initiatives, directed at the more vulnerable stakeholders.

242. It must be noted that the triggering events in trade liberalization for the sector came not from government domestic policies, but substantially from the creation and conversion (through agreements) of preferential market access opportunities by key trade partners—mainly, the US and the EU, which opened new markets and livelihood opportunities linked to exports. Vietnam does not face any import threats in shrimps from any country, and domestic market liberalization is not a key issue for Vietnam insofar as this industry is concerned. Therefore, the linkages to development and poverty reduction in this case study relate to international trade covenants and not to domestic trade policy reforms. As a result, the expected results from a trade policy perspective need to be studied for evidence of:

- Government actions reflecting an export-supporting sector development framework
- Institutional capacity development to create resilient industrial sector
- Safety nets and intervention mechanisms in case of extreme contingencies,

These are well laid out in the recommendations at the end of the analysis.

243. Other comments:

- The study did not have concrete suggestions leading to advocacy at least specific to the product being studied, to become useful to the grassroots stakeholders.
- The project should have included the formulation of action groups among stakeholders, for advocacy and awareness raising actions based on the project studies.
- Peer reviews: given the far reaching implications of case study conclusions, and its potential, it is in the interests of all beneficiaries that the study is peer reviewed and its rationale endorsed by industry associations/stakeholder groups, so that the project's findings become a reference for dissemination and evidence-based advocacy. In Vietnam, where access and influence on policy making is privileged and esoteric, this becomes even more critical to the effectiveness of the project.

244. **Garments and Footwear.** Both these sectors are major export earners for Vietnam, and have the potential to become the top export sectors after Vietnam begins consuming its crude oil in refineries instead of exporting it as is presently the case. Export growth in these sectors has been in the range of 20-30% annually, and employment growth has been over 10%, according to industry sources.

245. The study draws on other published research by Action Aid, etc., but the stakeholder primary surveys were conducted on a very small sample: only 3 firms in garments and 7 firms in footwear were interviewed for the study. The evaluation considers this to be not sufficiently representative of SMEs, which are the target beneficiaries of the project's advocacy for pro-poor policy actions. In terms of ownership profile of the larger firms, only one State owned enterprise, one JV and one foreign company were interviewed in the case study. More importantly, there was no involvement of the industry bodies LEFASO and VINATEX in the preparation of the study, nor industrial workmen associations, which are the most vulnerable stakeholders in the sector.

246. Observations on case study:

- Argument is that trade liberalization leads to FDI in capital- intensive manufacturing which displaces SMEs and manual labour in these sectors. However, in page 7 (position of SMEs) it also says that only 3% of SMEs actually export, and are largely unconnected with international markets. But if the number of enterprises has risen in exports, these have then created overall additional employment only, not substituted employment in the 97% of the sector...Also the organized sector has higher labour standards and pays higher wages than the SMEs, so there are welfare gains from this process as well.
- Issues of migrant labour and effects of export markets on jobs are real, and need to be addressed through skill diversification and upgradation.
- Advantages from a NME accession principle of the US agreement will erode in a multilateral WTO scenario in any case, and market diversification is important for these sectors. Anti dumping targets Vietnam adversely using surrogate data from market economies with higher costs – EU antidumping case footwear from Vietnam. Again, the effects would be more on the more organized private sector

companies with higher FDI. US can re-impose quotas on Vietnam once it is a WTO member.

- State policies for technology, market access and capacity development- support capital intensive TNC investment.
- There should have been a closer involvement of industry bodies such as LEFASO, whose positions on trade and policy issues are important and carry influence with the government.

247. Reality: both garments and footwear sectors have performed resiliently since the study. However, whether this has led to poverty reduction – net employment creation, wage increases in export-oriented enterprises, and secondary demand creation has not been analyzed. A structural adjustment of the sectors is a warranted response to trade opportunities, and it is to be seen whether such adjustments create employment or not. Also, it needs to be established whether incentive driven FDI and exports replace production in smaller units. Such assessments are beyond the scope of the study, but the project could have sensitized the need for such research by the leading economics research agencies in Vietnam.

6.4.3.3 National Dialogue

248. The First National Dialogue event was held in Nov 2005, and was attended by 47 persons: 6 government ministry officials; 18 from government institutions and universities; 15 representatives from industry associations and NGOs; and 8 media persons. It included two sessions: “Linkages between Trade, Development and Poverty Reduction in Southeast Asia”; and “Impact of Trade Liberalization in Vietnam”.

249. The National Dialogue event in July 2006 had the theme ‘Linkages between Trade, Development and Poverty Reduction: evidence from selected sectors’. It presented evidence from the sector studies undertaken by CDI, and was attended by 59 persons: 7 government ministry officials; 19 from government institutions and universities; 4 from industry associations; 19 representatives from NGOs; and 11 media persons.

250. The National Dialogue 2007, conducted at Hanoi, had as its theme “Aid for Trade and Pro-Development Integration”. The event was attended by 49 persons, consisting of 20 persons connected with government and development institutions, and 29 from the media. The topics were: Vietnam’s commitment under WTO accession, and Impact of integration and trade liberalization on: women, agriculture workers in cassava and the competitiveness of crafts sector. The discussions used illustrations from specific sectors.

251. The final dialogue shall be held in October 2008.

252. According to CDI, it is not easy to convene dialogue events in the smaller provinces due to high travel costs, and difficulties in mobilizing various stakeholder groups to participate in outstation visits. As a result, these events are normally held in either Hanoi or Ho Chi Minh City.

253. The evaluation observes that the dialogue events have been held consistent with the activities and objectives of the project, and have managed to elicit participation of several

relevant stake holders. There has been considerable participation of the media at these events, although the press coverage remains modest. This is also partly because the media capacity on trade issues remains rather limited.

6.4.3.4 Campaign Kit

254. The Vietnam campaign kit is a concise document that captures the TDP linkage very lucidly, and provides actionable inputs toward a pro-poor policy dialogue. It is easily understandable to the layman and demystifies the trade debate through real life examples, without using trade jargon. As per the TORs, 1000 copies of the same were to be distributed by CDI, after translation in Vietnamese. However, the evaluator was informed that only English copies were distributed. Whether this would be of use to the grassroots stakeholders remains moot. However, the information in the kit is definitely usable by media and institutions interested in the subject of trade, economic development and poverty reduction.

6.4.3.5 Media articles

255. The CDI website does not carry an archive of all the materials produced and distributed by it under the TDP, which limits the local outreach and dissemination of the project considerably. At a minimum, the CDI website should carry a hyperlink to the TDP website, so that visitors can find more details of the activities as well as a listing of activities and outputs developed by CDI. The evaluator was informed that 8 articles were published by the media, relating to the project activities.

6.4.4 Completion of activities

256. Based on the reports submitted to CUTS, and also discussions with CDI, all agreed activities have been completed without any delays. As at the time of the evaluation visit, a last National Dialogue event was being planned for October 2008, in which the highlights of the project activities and results, as well as sharing of experiences from other partners, are proposed to be shared with participants, which would include key government officials, NGO members, industry associations and international institutions connected with trade, development and poverty issues.

257. CDI received the entire budget of US\$ 63,000 toward scheduled activities, which excluded costs toward participation at regional and international conferences-these were covered by CUTS. There were no overruns, as per the utilization certificates submitted by CUTS to the donors.

6.4.5 Results

258. CDI considers the major result of the project to be its visibility as being one of the earliest attempts in Vietnam to study the impact of the third phase of trade liberalisation, even though the country became a member of the WTO only in 2005. The focus of the project on poverty alleviation effects of trade, captured through stakeholder perceptions complements the purely analytical orientation of other economic research on trade and poverty linkages.
259. In Vietnam, very few organisations have the ears of government on public issues, and CDI has got an enormous amount of credibility in Vietnam policy circles as a result of the TDP project, which has also added trade to CDI's advocacy portfolio.
260. The size of the project was not commensurate with the size and spread of the sectors in Vietnam, and the experiences from the project can at best be seen as pointers for advocacy but not as results themselves.

6.5 Bangladesh (Oct 5-10, 2008)

6.5.1 *Relevance*

261. The project is highly relevant to Bangladesh, given its experience of using trade policy to become one of the major LDC exporters, and now faced with the second-stage challenges of trade openness: retaining and diversifying its exports, while sustaining growth in employment.
262. Since independence in 1971, Bangladesh followed an import substitution strategy for its industrial development, while adopting an incentive-and-exemptions-based export policy in the RMG sector and other key export products. However, worsening balance of payments situations resulted in the country resorting to externally dictated Structural Adjustment Programmes, which also called for progressive trade liberalisation. This included a reduction in import tariffs and reductions in QRs, and reduced the anti export bias in the economy created by former effective rates of protection.
263. As a result of reforms in trade, Bangladesh has moved steadily toward an outward-oriented development strategy, and has reduced its dependence on foreign aid considerably by adopting a trade-intensive strategy, and becoming a significant export-earning LDC. Exports grew from US\$ 1.5 bn in 1990 to US\$ 12 bn in 2005. However, exports are concentrated on one single product- readymade garments, which account for over 80% of total exports. Over 2.5 million workers depend on this sector for livelihoods, which indicates the poverty-alleviating significance of the sector.
264. Bangladesh faces new challenges in maintaining its export growth amidst pressures to keep its wage levels low to retain its price-based competitive positioning, and needs to also rapidly expand skill levels to be able to grow export volumes in its RMG sector. These pulls conflict with the overall development objective of raising incomes and living standards for the poorer sections, over time.

6.5.2 *Selection of Partners*

265. The project's national implementation partner is **Unnayan Shamannay** (translates into Development Cooperation), a prominent research-based advocacy organization of repute in Bangladesh. Unnayan Shamannay's focus areas are: Development and Integration, Poverty reduction programmes, Corporate Social Responsibility, Capacity Building of authorities and government institutions, Monitoring and Evaluation. CDI has also been engaged by the Vietnam government in other studies and projects dealing with Vietnam's integration into the regional and global economic community.
266. The organization was formed in 1998, and is chaired by Prof. Atiur Rahman, an eminent economist and sought-after opinion maker, widely recognized as a public voice on social

and economic issues in Bangladesh. He is a member on several high powered committees constituted by the government and also civil society networks.

267. Unnayan Shamannay has around 40 full time staff, besides over 60 project-specific staff working on current projects. It manages programme funds of around US\$ 1,000,000 annually, but does not have any core funding from government or donors.
268. Despite rich experience in studies on poverty reduction, Unnayan Shamannay did not have prior experience in trade policy advocacy, and the TDP project provided an excellent opportunity to extend its research advocacy practice to trade areas.
269. The evaluation considers the selection of the Unnayan Shamannay as implementation partner to be an excellent choice by the project, given its visibility and credibility as a voice of the poorer sections, and equally, its high level of acceptance by government as an important influence on policy dialogue in Bangladesh's specific context. The addition of trade issues to the repertoire will only make Unnayan Shamannay an even more effective organization in its campaign for pro poor development issues.

6.5.3 Activities and Outputs

6.5.3.1 Stakeholder Perception surveys/ Sector Case Studies

270. The country background report and the case studies were carried out by research persons from Dhaka University and other eminent institutions in Bangladesh with a good reputation for economic research, particularly on trade. The studies were completed in 2006 and disseminated in 2007 through the National dialogue events
271. The two sectors selected for case studies were: Telecommunications (Cellular Phones) and Ready Made Garments. Both sectors have made significant contributions to economic development in Bangladesh. However, there is no explicit trade linkage in the case of Cellular Phones, unlike the RMG sector, which is Bangladesh's flagship export earner, accounting for over 76% of exports last year. The inclusion of telecommunications sector for the case study was justified by the partner on grounds of the significant impact of competition liberalization on pricing and penetration of in mobile voice services across Bangladesh, including in remote, rural areas..
272. As an LDC, Bangladesh has traditionally enjoyed preferential market access to the European Union through its GSP system. The various preferential market access instruments being used by Bangladesh are:
 - EU Generalised System of Preferences
 - Duty Free Quota Free imports from other OECD countries- Australia, New Zealand, Canada and Japan
273. **Ready Made Garments:** The RMG sector remains Bangladesh's principal export earner, and currently accounts for almost 75% of its merchandise exports. Exports have risen from

less than US\$ 200 million in 1985 to over US\$ 9 billion in 2007. Export growth has consistently remained over 15% per annum during the past few years (except 2004-05, when it dipped to 13%), proving its resilience even after the dismantling of the Multi Fiber Arrangement (MFA), and the elimination of quotas by importing countries. The high growth of the sector stands out in contrast to the overall GDP growth of marginally over 5% in the same period. Thus, RMG has become a critical sector for ensuring the growth of the Bangladesh economy as a whole.

274. The sector has also generated substantial employment, on account of it being labour-intensive. At present, direct employment in the sector is estimated to be over 2.2 million, besides an additional indirect employment of over 10 million unskilled workers. The sector also has a good gender index, with women accounting for more than 30% of its employment.
275. Since the mid 1980s, the government has actively supported exports, and has provided incentives and facilities for the sector to grow and develop in size as well as in competitiveness. Important incentives to support exports so far include: export performance benefits (higher foreign exchange entitlements); bonded warehousing; duty-free imports against exports; interest rate subsidies; income tax holidays; export credit guarantee schemes; and special export processing zones.
276. **Responses to international trade developments:** the dismantling of the MFA in 2005 has been the most significant externality for Bangladesh's RMG sector, and there have been several concerns as to its ability to sustain its competitiveness in front of other large RMG exporting nations, particularly China and, to a lesser extent, India, and in face of other LDC exporters such as Vietnam, which enjoyed preferential market access to some countries (the US in this case). However, the evidence so far suggests that Bangladesh has not been affected by the withdrawal of quota regimes, particularly because it does not directly compete in the upper end of the market which is dominated by China and India, and also because it enjoys tariff preferences and origin-cumulation preferences over these countries. However, it has a tariff disadvantage vis-à-vis Vietnam for exports to the US. China's voluntary restraint on exports into the US- in force until 2009- has also enabled Bangladesh to retain its markets in the post-quota era although this may change once the restraint is lifted.
277. Bangladesh also faces challenges in increasing its share of the value chain, on account of its inability to develop strong backward linkages, particularly in woven garments. There are reports of a strong domestic textile mill lobby which is against the duty-free imports of fabrics, and lobbies for greater local content in exports, but has not been able to develop competitively to meet export requirements. Also, the domestic textile industry has greater orientation to the lower-cost, ethnic clothing market, which is completely different from the export market. This has resulted in an export sector based on purely labour intensive conversion from fabric to apparel, with low value addition. However, of late, many garment exporters are setting up their own captive looms, dyeing and spinning units, dedicated to their export market requirements, but not selling into the domestic market.
278. **Influence of exports on employment and wages:** even though exports have been robust, the major challenge for Bangladesh is that there is low value addition in its RMG sector,

and the unit realizations have been under much pressure, despite growth in export volumes. According to the industry association, of the 15% annual growth in export, over 14% is from volumes, and only 1% is on account of unit price increases. As a result, despite growth in employment numbers, wages have remained more or less static in the industry. Given the enormous inflation and price increases for all essential and basic goods, the net result is that Bangladesh's lower income groups are worse off in real terms. Workmen agitations have been on the rise in the past year, including in the export-oriented RMG sector. However, there is consensus that wages in the RMG sector are generally higher than in other sectors.

279. The government increased the Minimum Wage in 2006, but the increase is considered to be inadequate to compensate for inflation and the overall increase in cost indices. While the larger exporters have increased wages in their industrial units, workmen in SMEs have not had similar increases, and the disparity in wages has widened, adding to the unrest in industrial areas. It is important to note that even for government employees, index linked pay increases recommended by the Pay Commission, have not been fully implemented, and even white collar positions – universities, public corporations, etc, find their remuneration inadequate to maintain their living standards.
280. Finding suitably trained and skilled industry workers to be absorbed in RMG factories is emerging as a major challenge. According to the BGMEA, by 2010, a shortage of more than 0.6 million workers is foreseen, based on the growth targets and ensuing resource requirements. And, to meet the export projections of US\$ 25 billion by 2013, Bangladesh would need to employ 4.4 million workers, necessitating an additional employment of 2 million workers. The development of middle management cadres is also seen as an emerging challenge in meeting export opportunities and responding to international market conditions. Bangladesh's clothing sector currently employs a large number of foreigners, particularly from Sri Lanka and India, in supervisory and managerial positions.
281. **Industry led initiatives: Labour Standards, Skill upgradation, Backward integration:** To address the shortage of industrial labour, the BGMEA has taken upon itself the task of managing the Textiles/clothing courseware in the 29 Technical Training Centres set up earlier by the government, which shall generate an industry ready workforce of 15,000 per year. Additionally, the industry association has also introduced short courses (1-2 month duration) for unskilled workers, to make them employable in the clothing industry. This is also being undertaken in remote areas, including tribal areas. The BGMEA has also set up a Bangladesh Institute of Fashion Technology, to turn out fashion designers.
282. Concrete measures have also been taken by the industry to address the 'quality of employment' in garment factories, at the instance of international organizations as well as large buyers, committed by their Corporate Social Responsibility charter. By and large, all exporting units have an HR/grievance counselor, a dispute settlement committee and a code of conduct, besides regular inspections for ensuring that the working conditions do not endanger workmen safety and well being. However, this is substantially due to an industry level self-regulation within the RMG sector, and not a Core Labour Standard enacted/ enforced by government across all industries and sectors. The BGMEA is also on

verge of completing a comprehensive worker database of the entire RMG sector (project supported by GTZ), which would capture wages, skills and state of working conditions.²

283. **Observations on case study:** The case study uses data from several authoritative sources and builds a well-reasoned analysis of the Trade- Development-Poverty Linkage in the sector, inferring that the growth in exports has provided additional employment in the aggregate, but the resultant employment have not necessarily led to an improvement in the living conditions of the workers as such. It highlights that the wage levels in the industry are higher than the official thresholds characterizing poverty, and therefore, employment in the RMG sector by itself was a proof of poverty alleviation. It also points out the challenges/ constraints in providing higher remuneration and better working conditions amidst growing and intense competition in global markets, Bangladesh's dependence purely on price competitiveness, and supply side constraints (capital, infrastructure and labour).
284. The expected results from a trade policy perspective need to be studied for evidence of:
- Government actions reflecting an export-supporting sector development framework
 - Institutional capacity development to create resilient industrial sector
 - Safety nets and intervention mechanisms in case of extreme contingencies
285. The study enumerates a number of actions relating to skill enhancement leading to wage and productivity increases, enforcement of core labour standards and working conditions, reducing transaction costs for business, and mechanisms for responding to export shocks, particularly loss of employment in case of downturns in export markets, as is foreseen for the next year. It also points out that the government needs to reduce costs of doing business, implement labour standards to address workmen welfare and human development, and also push for preferential/ duty-free market access into the US.
286. **Cellular phones.** The case study was prepared by M. Abu Eusuf, Asst Professor and Mokammel Karim Toufique, Lecturer, both at Dept. of Development Studies, Dept of Economics at Dhaka University. Abu Eusuf is also a resource person at Unnayan Shamannay under the TDP project. The study report was presented in August 2006, at an event organized by Unnayan Shamannay.
287. The study summarizes the transition/liberalization of Bangladesh's telecommunications services from state monopoly, to a multiple -operator regime including private/ foreign investors, and the creation of an independent regulator to oversee the development of the sector under an open-license regime.
288. The growing penetration of cellular telephony (mobile connections account for almost 90% of telephone subscriptions), and the gradual fall in user tariffs over the past few years, are cited as benefits resulting from the inadequate state-run fixed line infrastructure on one hand- leading to migration toward mobile subscriptions, and the positive results of open competition among mobile service providers, leading to increasing affordability even

² It is reported that until recently, employment in several RMG factories took place without a formal appointment letter.

among the poorer sections of society. The sector provides direct employment to less than 8,000 persons, and no estimates are available as to the indirect employment generated from the outsourced contracting of installations, hardware distribution and after-sales services offered by the networks. The authors guesstimate the indirect employment to be around 250-300,000 persons.

289. Being both technology and capital intensive, foreign investments in the sector are inevitable. Bangladesh has fully opened its telecom sector for foreign investment, and this has seen the emergence of several ventures with majority control by foreign operators. A further investment of over 1 billion dollars is in the pipeline. Fixed line service providers are also expected to offer mobile telephony services, which will further intensify competition in the sector.
290. Cellular phone services have provided an exponentially increasing revenue stream for the government, through fixed entry/license fees and annual revenue sharing arrangements. Government revenues rose from 34 million taka (US\$ 0.5 million) in 2001-02 to over 6.5 billion taka (US\$ 92 million) in 2005-06, according to the study.
291. **Observations on case study:** The case study suffers from several shortcomings, from perspectives of relevance as well as analytical rigour in the context of trade- poverty reduction dynamic. First, the evaluation considers the selection of this sector as inappropriate for the project, given the presence of other major sectors which have a much greater trade liberalization-employment-poverty reduction potential. Attention is specifically drawn to the large and growing overseas skilled worker migration, which not only contributes significantly to the foreign exchange earnings, but also has direct stakes in the liberalization of trade in services, particularly under Mode 4: Movement of Natural Persons, which is high on the agenda for Bangladesh's trade negotiations, both regionally and at the WTO. The PRSP also prioritizes workmen migration as an important element of poverty reduction strategy for the government. The inclusion of such a sector for the case study could have brought in greater value to the policy discussions and the awareness campaigns that are the target results of the TDP project.
292. Second, even within the ICT sector, other segments- particularly IT and IT enabled services- have demonstrated a much greater potential for creating export-based employment and resultantly reducing the incidence of poverty, with enormous evidence in several Asian countries. Services present a veritable alternative to diversify Bangladesh's export basket and reduce its dependence on the RMG sector, and ICT plays a sheet anchor role across a range of services in the increasingly technology-driven world. Thus, the argument for gains through voice connectivity through cellular phones, is a low hanging fruit, and the implications of a liberalized ICT regime on the costs of data services and other value added services (including the simple SMS based services), and the enhanced access to public information services (crop prices, weather updates, cyclone and flood warnings) and other data communication services could have been included in the context of development linkages related to the telecommunications liberalization in Bangladesh. Here again, the government emphasizes increased resource allocations for expanding the services sectors, and the study could have considered the likely development benefits from data connectivity, which have provided immense gains in social sectors, particularly in

affordable healthcare and education. Here again, several model examples exist all over the developing world.

293. Third, the report has factual errors. To point one, the argument that foreign exchange outflows arising from foreign-owned cellular phone companies is 68% of the total revenue billings, being in proportion to the share of foreign capital investment to the total investment in the sector, is completely fallacious. Profit repatriations are linked to dividends remitted or technology fees transferred, and cannot represent 100% of the gross revenues earned. Second, the key message in the concluding section seems to be a call for further liberalization of import tariffs on handsets, and investments in hard infrastructure to extend network coverage across remote villages, all leading to enhanced accessibility of cellular phone services across the country. Yet, this is only the ‘minimum- necessary’ intervention to enable any results from communication technology. The key missing ingredient amidst connectivity infrastructure remains: applications using connectivity that enable employment creation, rather than the reduction in cost of telephony itself.
294. Fourth, the study develops the liberalization –poverty linkage argument through the increase in consumer surplus as a result of telephony tariff reductions. This does not automatically translate into a distributive benefit, reaching to the poorest sections of society, who would be the last to benefit as telephony consumers. Therefore, the argument for poverty reduction needs to be drawn from economic opportunities and creation of labour markets enabled by telecommunications liberalization. The evidence supporting the latter is weak, with less than 6000 persons gaining direct employment in the cell phone service industry.
295. Fifth, the study does not support any evidence in favour of trade liberalization nor even of the overall domestic competitive environment. There are several examples of tariffs coming down even in government monopoly services, arising purely from the cost efficiencies brought in by network expansion (theoretically, network operating costs decrease in proportion to the growth in network nodes), due to effects of scale. That the price reductions in Bangladesh were essentially due to free market competition among private operators is not brought out in the study, using evidence of price wars. Also, in many countries, telecom tariff regulators have the powers to set normative ‘tariff bands’, and the price competition among operators is restricted within this band. This means that the base prices for services are determined through regulatory intervention, an argument contrary to the competitive market argument. The tariff regulation principles used in Bangladesh are not highlighted in the study, which makes it difficult to appreciate the arguments in support of the price reduction as emerging from purely private competition.
296. Other comments:
297. Stakeholder perceptions: The study indicates that all cellular service providers and the sector regulator were consulted, besides a selection of users (number not mentioned). The scope of discussions relevant to a poverty reduction perspective is not evident from the study itself.
298. Peer reviews: According to the project document, all case studies were to be sent to CUTS as well as for peer reviews, before finalization. The evaluation observes that in this case, sufficient attention may not have been given toward a critical review of the study’s quality

and robustness. The study would have benefited from the involvement of a telecom sector analyst within the community of economists in Bangladesh. The study has also not been endorsed by the industry/ sector regulatory body concerned, which limits its use as an advocacy tool.

299. **Bangladesh's PRSP document:** Bangladesh is currently finalizing its 'National Strategy for Accelerating Poverty Reduction 2009-2011', which has involved several institutions for inputs as well as consultations. The PRSP is based on an economic growth ranging from 6.7 - 7.2% for 2009-2011, and employment creation of 7.3 million additional jobs. Funding, required under 18 thematic areas is estimated at 2500 billion Taka, with a resource gap of 492 billion taka (US\$ 7.14 bn), for funding from external agencies.

300. The evaluator had the opportunity to briefly study the draft document, particularly the sections on trade, employment generation, and the Action Matrices. The core strategy being proposed for accelerating poverty reduction is through the following³:

- Increased accumulation of capital, enhanced supply of effective labour and improvement in total factor productivity;
- Promoting growth of sectors like agriculture, SMEs and services, focusing on the pro-poor segments of the sectors;
- Promoting growth of rural towns and the meso economy
- Channeling an increasing share of government expenditure to social and infrastructure projects and directly poverty-reducing programmes, guiding the interactions between poverty, growth and inequality in favour of employment and income of the poor, and fostering growth through complementary use of public and private capital.

301. There is no direct reference to an export/ trade based development strategy, other than the emphasis on improving workmen remittances, and the need to expand the nature and scope of government support to emigrant workmen under the Overseas Employment Policy 2007. Also, there is emphasis on increasing trade capacity to be able to effectively negotiate Bangladesh's interests in ongoing negotiations under multilateral and regional trading arrangements. The references to strengthening supply side constraints as well as export incentives in export sectors appear more generic than would be necessary to be considered an element of poverty reduction strategy.

302. Persons from the major policy institutions met by the evaluator had mixed opinions about the consultative process being used to adopt the earlier PRSP document. Despite the involvement of many institutions in researching sector themes, the draft document was circulated and comments were finalized at a single event, with working groups huddled at several tables, working on their assigned sections of the document. It is expected that the consultations would be more substantive while adopting the final draft of the new PRSP document. However, given that Bangladesh would hold elections in December, it remains to be seen whether the PRSP would be reviewed by the incoming government, and whether

³ Verbatim from the Executive Summary of the document.

there would be a fresh round of discussions among stakeholders before formally adopting the document.

6.5.3.2 National Dialogue

303. The First National Dialogue event 2005. The first Dialogue event was held in Dhaka and was attended by
304. The National Dialogue event 2006 was held in August 2006, at which the case studies were presented and the Trade Made Easy booklet was also launched. Persons attended the event.
305. The National Dialogue event 2007. In consultation with CUTS, the partners decided to substitute the National Dialogue by Training Workshops, focusing on two stakeholder groups; university students, and media persons (journalists). Unnayan Shamannay held two workshops to expose media participants to the basics of world trade principles. These were in March 2007 – during which the Campaign Kit was shared with journalists, and in June 2008. In all, 49 journalists were covered in these workshops.
306. The evaluator interacted with a few beneficiaries/participants at a group discussion organized by the partner, to ascertain the relevance and contribution of these workshops to enhancing their appreciation of trade and poverty linkages. The group discussion turned out to be fruitless, with very few persons even willing to speak (even in Bengali), and even fewer of them demonstrating basic understanding of economic issues, or even individual interest in analyzing/reporting on them. More pressing concerns such as job security, rising costs and static incomes seemed to dominate participants.
307. However, one important point was made in the discussion. The absolute lack of knowledge on trade and its effects on the layman made it even more important for dissemination of content in local language, and there is very little written in Bengali on these matters. In this regard, efforts by US to translate the Trade Made Easy booklet in Bengali were lauded by participants who had received copies of the same at the workshops.
308. It is pertinent to note that Unnayan Shamannay has also undertaken training of media professionals on economic and trade issues to facilitate flow of relevant economic and trade information, funded by the European Commission, over a period of two months, in January 2007. Training was provided to 50 media persons.
309. The Final dialogue. The partner mentioned that this event was to be hosted in November 2008, but no details of the same have been received by the evaluator at the time of closing the evaluation.
310. **Overlapping Project themes:** The evaluation came across another project being implemented in Bangladesh by CUTS and US, with the theme ‘Mainstreaming International Trade in the National Development Strategy’ (MINTDEV), being implemented in India and Bangladesh. The project too had two study papers:- one on: ‘Trade Liberalization, Growth and Poverty in Bangladesh’; and another on ‘The Political economy of Trade Liberalization in Bangladesh’. There appears to be considerable similarity in the nature of themes and calls for action between the two projects, although no

dialogue events have been included in the other project. The evaluation considers it important to pool in donor resources from various such overlapping projects so as to have critical mass to bring sustainable influence on policy makers and other stake holders to establish and implement the Trade- Development- Poverty Reduction linkage to result in improvement in living conditions of the poorest sections of society.

6.5.3.3 Campaign Kit

311. The ‘Trade Made Easy’ kit has been immensely popular among policy makers, NGOs, industry association members, journalists and students, who were the principal recipients of the same. However, the evaluator considers this to be beyond the comprehension of the layman, particularly stakeholders who are not in any way concerned with the terminologies and principles of international trade. In this respect, the kits made by Uganda and Cambodia are considered good examples. Even though the Trade Made Easy is the only simplified guide of its kind and is useful in its own right, it is not in line with the intent of the Campaign Kit as originally conceived in the project. The Bangladesh kit departs from the basic principle of the Campaign kit, in that it does not focus on the trade- development- poverty linkages through simple, lucid illustrations and messages, drawn from the case studies and perception studies.
312. The “Campaign” element is completely missing in the kit: the document does not build awareness of the T D P linkages, nor develop take - aways or “calls for action”. Instead, it delves into the explanations of WTO trade jargon, which is more useful for students and business persons, but not for the poorer sections of societies, whose lot is sought to be improved through such campaigns. Further, no lessons have been drawn from the case studies themselves, and the kit stands out as an isolated product, purely of academic value, and not linked to any advocacy pitches based on the case studies used in the project.
313. It appears that there has been no attempt toward standardization of Campaign kits produced in the various project countries, nor has the partner sought prior approval by CUTS or the advisory committee of the content. Coordination of all the Campaign kits would have enabled some cross-fertilization of ideas, and resulted in the creation of effective easy-to-understand materials for each country, targeted at the most vulnerable groups, and the agencies that represent their interests before policy makers and at public dialogues.

6.5.3.4 Media articles

314. Unnayan Shamannay is regularly in the media on a range of issues, including poverty reduction, policy dialogue and economic issues. The evaluator studied at least eight of fifteen articles printed in the media, relating to trade issues of importance to Bangladesh’s exporting sectors. Articles included referring to trade and export development covered RMG, nontraditional exports- leather, medicinal plants, light engineering, handicraft etc. Some articles also addressed agriculture and food security, and a few others focused on the WTO NAMA negotiations from an LDC perspective. One article analyzed the pro-poor

aspects of the National Budget. The Chairman of US is a public figure and regularly seen on discussion forums, besides appearing on national television and radio.

315. US also bring out two newsletters: Bangladesh Economic Outlook and Trade Focus, which are distributed to a selection of opinion makers, academics and policy makers. These publications are found to be of a good quality, and highly popular among the erudite readers. Copies of some issues were provided to the evaluator, who found them to be very interesting despite being brief.

6.5.4 Completion of activities

316. All project activities have been completed according to agreed time lines and within the allocated budgets, and expenditures have been drawn fully.

6.5.5 Results

317. The strengthening of Unnayan Shamannay's capacities to undertake research-based advocacy on trade related issues, which supplements its pro poor advocacy focus. Unnayan Shamannay has not been involved in trade issues in the past, and the project has given it an opportunity to add the trade dimension to its efforts at influencing pro poor policy formulation.
318. The project has added to the repertoire of authoritative studies on the trade-development-poverty linkage, with specific focus on export-centric sectors in Bangladesh. The conclusions of the studies provide an additional perspective to policy makers while developing trade and national development policies.
319. The fact that there is active debate and healthy disagreement among Bangladesh's erudite influencers, opinion makers and policy makers as to the cause-effect linkage between trade and poverty, is in itself a good sign. The evaluator's first hand observation on the consultations initiated for the new PRSP confirm the existence of an open and inclusive dialogue approach in Bangladesh on policy issues. *Whether such dialogue eventually results in a better strategy document is another issue altogether.*
320. Cross fertilization among country partners has not taken place, through exchange of ideas and experiences on a regular, one-to-one basis. Involvement in peer reviews of case studies has not taken place. RMG sector experiences of other countries should have assisted in better appreciation of the policy responses to the same set of externalities.
321. Pro-poor actions were implemented well in the RMG sector. However, the same exercise needs to be repeated for other sectors to enable large scale employment in tradable goods and services, and this should be the focus for CSOs championing the cause of pro poor trade issues and policies.
322. The existence of a number of capable and active civil society organizations in Bangladesh that can effectively argue out the case and benefits of policy on jobs growth, indicates that the awareness of the T-D-P linkage and ways to make it work for the poor exist in

Bangladesh. Whether government uses these resources judiciously, and exercises the political economy of trade will need to be evaluated through the coming budgets based on the new PRSP.

323. Response of the international community has been encouraging to facilitate sustained export growth through unilateral initiatives like EBA, GSP cumulation, DFQF, etc... This substantiates that, notwithstanding technical challenges and non-tariff considerations, the developed world has seen the positive linkage between trade and poverty alleviation, and is increasing market access to LDCs. Studies such as these, and the international events around trade negotiations do influence the process at the moment.

6.6 Zambia (Nov 2-7, 2008)

6.6.1 Relevance

324. The project is relevant for Zambia, given its high levels of poverty (still over 60%) and challenges in its external sector, amidst a phase of regional and multilateral trade liberalisation, and its being a potential signatory to major bilateral and regional trade treaties.
325. Until 1990, Zambia had a highly centralized, controlled economic regime, and had economic stagnation, hyper inflation and unsustainable external debt, with poverty levels as high as 70%. An import-substitution policy since independence in 1964 helped in creating a diversified manufacturing sector, nurtured under highly protective environments, QRs and high import tariffs, despite inefficient domestic costs. Exports are concentrated on one item; copper, which is confined to one region of the country, while large sections of the population subsist on agriculture cultivation and fish farming.
326. The export-dependence on one product that has seen considerable volatility in international prices, made it difficult for Zambia to balance its external sector and provide for import needs, at times when the copper prices collapsed. Similarly, increasing prices of copper can significantly affect the value of the kwacha, which has seen an appreciation in the recent heady price times for metals in general. This has an inflationary effect in the domestic economy, in the absence of real growth-inducing capital investments.
327. Zambia is presently pursuing a policy of supporting non-traditional exports, while also opening up its borders to the SADC, which has formidable players like South Africa vying for a share of the domestic markets, even in essential goods. The effects of such an environment for trade will have major consequences on the vulnerable sections of people engaged in the domestic industries and also those dependent on agriculture for livelihoods.

6.6.2 Selection of Partners

328. The project's national implementation partner is Organization Development and Community Management Trust (ODCMT), a prominent research-based advocacy organization in Zambia. ODCMT's focus areas are: Campaigning, Advocacy and Lobbying; Capacity building for NGOs in Zambia; and Networking.
329. The organization was founded in 2000, by P. Banda, who was a recognized public voice on social and economic issues in Zambia. ODCMT's work on trade issues began in 2002, through its involvement in Oxfam's 'Big Noise' and 'Make Trade Fair' campaigns. It gained considerable local attention for its work on fair trade in cotton and addressing the conditions of small cotton farmers in Zambia.
330. The organization saw a setback (after the demise of its founder in 2005) due to internal management issues, which led to a reduction in its donor funding and eventually staffing as

well. ODCMT currently has 4 full time staff, including one economist, one social development professional, one volunteer and one financial accountant, and currently manages project funds of around US\$ 100,000 annually. It does not have any offices other than Lusaka. The TDP project accounted for around 20% of ODCMT's programme budgets in 2006 and 2007.

331. The evaluation does not consider the selection of the ODCMT as implementation partner to be the best choice, given the presence of several other strong, local organizations, many of them met by the evaluator. According to CUTSARC, the local arm of CUTS International, the selection was made based on ODCMT's highly effective campaign on Cotton, which received wide attention and policy attention, which was seen as a major advantage for the TDP. Also, at the time, the organization was still headed by its influential founder. Subsequent events, on which the project could have had no control, have weakened the organization to a large extent. However, as a result of these developments, project activities have suffered: there have been practically no media coverage and press articles, and so far, only one briefing paper (of the agreed four) has been published. Because of the non completion of these activities, the last installment of funds has not been released, which will hold up the hosting of the final National Dialogue which should have been held in November 2008.
332. To some extent, backstopping by CUTSARC has pulled the project activities. However, there has been a change of guard in CUTS ARC as well; both resource persons have been in for less than one year.

6.6.3 *Activities and Outputs*

6.6.3.1 Stakeholder Perception surveys/Sector Case Studies

333. The Country Background document provides a lucid account of the history of Zambia's economic liberalization, beginning with the first phase of reforms in the mid 1980s, followed by the IMF initiated Structural Adjustment Programmes in the early 1990s, and the subsequent trade agreements, notably the WTO, regional arrangements COMESA and SADC, the AGOA, and the EPAs with the European Union. The study also analyses the diversification of Zambia's exports reducing the dependence on copper, and the effects on employment of key reforms, such as the privatization of Zambia's public enterprises, and trade (import) liberalization under the Structural Adjustment Programmes, citing examples in the textiles and clothing sector.
334. The background paper also delves into the complexities of the trade- poverty reduction linkage, arguing that while trade has the potential to reduce poverty through export diversification and employment generation, attained by the enhanced integration of Zambia into the global market under the various preferential access treaties available to it as an LDC. However, it also points out that reforms produce both winners and losers, and the poor are often more vulnerable to the adverse impact of trade reforms. Trade policy can lead to poverty reduction only if it is treated as an integral part of poverty reduction

strategies. This has not been done in several countries, including Zambia, as evidenced by the absence of trade related poverty reduction strategies in the PRSP 2002-2004.

335. The study also draws from sources like the UNDP Human Development Report 2005, the Diagnostic Trade Integration Study (DTIS 2005), done by the World Bank under the Integrated Framework programme, providing a comprehensive background to analyzing the trade liberalization impact in Zambia. It also quotes from the HDR 2005 that *'the evidence to support the proposition that import liberalization is automatically good for growth is weak- almost as weak as the opposite proposition that protectionism is good for growth (pp 119).'* This is corroborated by the illustration of the textile sector, particularly the impact of import of used clothing on the domestic industry.
336. The evaluation considers the Zambia background paper to be of good quality, providing the right balance of arguments for taking up further assessments of impacts at the sector/sub sector level, as should have been done in the case studies. However, two key aspects of Zambia's external sector vulnerability i.e. the kwacha appreciation due to copper price rises, and the political economy of maize, could have been included in the study, as these have had major effects on the economy in the duration of the project. Furthermore, both these products have rendered Zambia vulnerable in managing the domestic agriculture sector as well as in its external sector management. This would have increased the reader/user's appreciation of weak areas in Zambia's trade policy and their impact on growth and poverty reduction.
337. The country background report and the case studies were carried out by senior research persons from the Department of Economics, Zambia University. The studies were completed in 2006 and disseminated in 2006 and 2007 through the National dialogue event and the regional advocacy workshops. Unlike in other partner countries, all the three documents were authored by the same persons. The evaluator considers this to be a weakness in the case studies, as the involvement of resource persons familiar with the sectors from an operational perspective would have made the studies more focused on key products and issues, instead of a generalized approach as seems to have been the case.
338. **Textiles.** The study begins with the background that until the mid 1990s, the textiles sector was an important export-earner for Zambia, second only to agriculture commodities. Pre-liberalisation, the sector had over 25000 people employed in over 140 companies, of which many were state owned. Activities included cotton farming, spinning, weaving, knitting and garment manufacture.
339. Trade liberalisation led to removal of import restrictions and brought about immense competition from foreign products, and exposed weakly run and state-protected enterprises. Liberal imports of used clothing (*salaula*) were particularly difficult to compete against for most manufacturing enterprises. However, cotton cultivation has remained resilient and even grown under a good out-growers scheme, supported by extension services. Yet, the increased production of cotton has not led to a competitive downstream industry, due to import-parity pricing policies, which push up the input costs for processors, without passing on the cost advantages onto the final products.
340. The sector has seen an overall decline in turnover, product range, profitability and employment (almost to one-tenth of the 1996 levels), besides loss of capital. However,

some enterprises survived the challenges of cheaper imports as well as cartel pricing in cotton lint, through integration across the value chain and expanding into regional markets.

341. **Agro processing.** Principal segments in Zambia's agriculture/ agro-processing sector are: cereal milling, fruit and vegetable dehydration, edible oil, honey, sugar, livestock: fish farming, poultry, beef; and plantations- tea, coffee and tobacco. Agro-processing uses indigenously produced raw materials to a very large extent, thus providing industrial/institutional markets for primary producers. The sector has expanded in recent years, and has had government support with a view to diversify and reduce the dependence on mining.
342. The study polled enterprise level changes in terms of product range; productivity; turnover; profitability; employment, investment; and human resource development. In all these aspects, there has been a positive trend of growth in size and sophistication in the surveyed enterprises. However, the sample was rather small, around 10 enterprises, covering nearly as many products. The study does not present requisite analysis of policy and trade liberalisation actions specific to the processing sector, or the effects of imports / exports in agro processing, and on the more vulnerable stakeholders. Therefore, the stakeholder perceptions and resultant advocacy aspects of the study is unclear.
343. Observations on case studies: A key observation on both the sector studies is that there are no specific sector level actions identified for advocacy. The conclusions and calls to action are rather general, and reflect the non- involvement of any resource persons with relevant sector expertise. Further, they have not been subject to comments from key industry stakeholders, particularly the line ministries and industry/sector bodies involved. The findings are based on interviews with very few respondents (less than ten in each study), and cannot be termed representative of the majority and diversity of actors involved. This makes it even more necessary for the credibility of these studies to have the endorsement, validation or the rebuttal (as the case may be) by industry and government agencies concerned. The absence of this engagement also weakens their eventual consideration or acceptance for any serious policy actions. This is a key weakness in the Zambia case studies, unlike case studies in Bangladesh and partly in Vietnam.
344. **Zambia's PRSP document and the Fifth National Development Plan.** Zambia formulated its second poverty reduction strategy under its PRSP 2002-2004 document. The Fifth National Development Plan (FNDP) 2006-2010 is the apex planning instrument for Zambia outlining its national development goals, strategies and resource allocations. Unlike the former PRSPs, the preparation of the FNDP has been highly inclusive, involving donors, private sector and civil society organizations at various levels. There is a much greater level of donor harmonization, through the pooled basket, and division of responsibilities among various donors under various sectors. For instance, the EC leads the coordination group on macro-economic areas, while DFID leads the Private Sector Development (PSD) area.
345. The FNDP targets achieving broad based wealth and job creation through a number of programmes focused on creating employment and income opportunities for the poor, including development of rural areas, agriculture and manufacturing. The supporting cross-cutting programme areas cover infrastructure and human resource development (education,

health, and skills development). An annual outlay of 12.6 trillion kwacha (US\$ 3 billion) has been estimated for the implementation of the FNDP. Agriculture, mining and energy are the major economic sectors in which resources would be directed under the plan.

346. The FNDP formally recognizes commerce and trade as an important tool for economic growth, which, in turn, is a prerequisite for long-term poverty reduction. The limited domestic purchasing power means that Zambia's economic growth must depend on exports. Active participation in multilateral and regional trade will enable Zambia to take advantage of opportunities in foreign markets. FNDP programmes covering commerce and trade include: promotion of quality standards, accreditation; export promotion –particularly non-traditional exports; enhancement of domestic competition; trade promotion and market access initiatives; promotion of services; and elimination of trade related supply side constraints. The FNDP also seeks to address employment and labour challenges through initiatives such as labour market regulatory reforms; enforcement of occupational health, safety and decent work conditions in industries; and bringing in a comprehensive social security system.
347. The strategy for each sector is not fully detailed in the FNDP, and has been entrusted to respective Sector Advisory Groups, consisting of these government officials from the relevant ministries, private sector, civil society and donors. According to several persons met by the evaluator, although the mechanisms have been created, sector groups do not meet as frequently as necessary. However, donors have begun convening meetings regularly with the civil society stakeholders to take the process forward and to be able to monitor implementation of the FNDP. A mid-term review of the FNDP is underway, and early indications are that some important regulatory changes, such as the Agriculture Marketing Act, which have great potential for poverty reduction by mitigating exploitation of small farmers, have not been formulated.
348. The active involvement of civil society in formulation and now monitoring of implementation is a good sign. The CSPR has even brought out a layman's guide to the FNDP and brings about several articles and updates on the status, and also uses it in its public campaigns. Its members include the most active and front line organizations in Zambia, collectively having enormous outreach and influence to sensitize beneficiaries and stakeholders at the grass roots level.
349. The evaluation holds that the objective of mainstreaming trade into the development agenda has been substantially achieved, at least at the level of national policies, and there is broad consensus over the importance of trade enhancement to bring about sustainable improvement in human development in Zambia. There is considerable debate on the actual and potential impact of trade liberalization on the economically backward sections, and civil society has been actively involved in all the trade negotiations, particularly the more recent regional and bilateral negotiations- SADC, COMESA and EPA. It is another matter that there is disagreement and concern among CSOs over the potential benefits of Zambia's regional and global integration, some emerging from an ideological viewpoint and not necessarily borne out by rational logic and evidence.
350. Notwithstanding the concerns over import glut, etc, the evaluator noted that some issues were sensationalized by civil society at times, without appreciation of the import

safeguards in all these agreements, which are the unalienable sovereign rights of every country. None of the organizations met by the evaluator seemed to be aware of the import safeguard clauses of WTO (Article 9) and similar clauses in the EPAs. This is ironic, given that these clauses have been lucidly explained in some of their own publications (for instance, Right to Milk and Honey, and Right to Food- Tomato and Poultry farmers). The problem lies not in the absence of protection mechanisms, but the lack of credible data and evidence, at the gross and at the disaggregated level. Neither CSOs nor government have created robust trade data on sensitive goods, capturing the evidence of any damage/ injury to domestic industry, which weakens any case for import safeguards.

351. The reality is that despite SPS and TBT barriers, LDCs have a net-positive market access terms in all their trade agreements with developed country partners, which provide the path for export-driven growth. The AGOA is a unilateral market concession for exports to the US market, without any reciprocity conditions. Even under the EPAs, reciprocal market access for EU goods and services will kick in only after a 5-8 year moratorium, and subject to a 20% exclusion list and a sensitive list (which, for Zambia, has been drawn in consultation with all stakeholders). Therefore, the evaluator contends that CSOs should now shift the thrust of their advocacy from the trade negotiations to the implementation of domestic measures that would facilitate a harnessing of these opportunities. To take advantage of market opportunities, the focus of advocacy should be towards enhancing resource allocation for employment generating export growth, with critical focus on the sectors/ products that have the highest potential for such growth. The interventions at sector levels should focus on increasing productive capacities; removing supply constraints; and improving absorptive capacities.
352. At the grass roots level, it is important to identify and act on critical interventions that can debottleneck supply side constraints and open up participation of small farmers and other economically underprivileged sections in the economy. Agriculture market interventions to balance the power between exploitative buyers and capital-starved producers, common pool storage and transportation infrastructure, and simplification of trade licensing, issue of land titles to enable institutional credit; and training to form and operate self-help groups, are a few examples of low hanging fruit at the grass roots level. Dealing with new issues to address poverty reduction calls for new skills and new profile of advocacy organizations, rooted in the sectors. Unfortunately, very few advocacy organizations have specialist skills in these areas. As a result, there seems to be overkill on advocacy aimed at negotiations, whilst these other action areas remain unattended.
353. Donor funding is increasingly directed toward budget support. Yet, these are long term and their effects are not to be felt in the short term. Funding development credit for SMEs and micro enterprises from domestic financial institutions remains limited as well. Thus, there is a gap in funding smaller local interventions, and new sources would need to be mobilized. NGOs and corporate support should also be sensitized to pluck some low hanging fruit.
354. A big weakness in the agriculture sector is the absence of strong sector level technical agencies and lack of absorptive capacities in productive sectors in general. The collapse of agriculture produce marketing institutions in African countries that went through the SAPs has been a key factor in the vulnerability of agriculture sector. Many state institutions were

dismantled under SAPs due to their administrative failures, and in the process, now there is a vacuum when the technical capacities and market interventions are seen as important instruments for sector development. Therefore, CSOs also need to engage more with the agencies other than Trade Ministry.

6.6.3.2 National Dialogue

355. The First National Launch Event 2005. The project was launched on August 30, 2005, presided over by the Permanent Secretary, Ministry of Commerce Trade and Industry of Zambia, and attended by a high profile audience comprising government, private sector bodies, and civil society organizations. Besides presentation on the Country Background paper, discussions covered various issues relating to Zambia's economic growth, poverty and trade related challenges. The report on the workshop is rather detailed and gives a good summary of the proceedings.
356. The National Dialogue event 2006. The second dialogue event was held on September 19, 2006, and was attended by 35 participants, however without any participants from government or the donor community. Besides presentations and discussions on the two case studies, a third session was held on the initiatives toward poverty reduction, including the Fifth National Development Plan. The workshop has had animated participation and discussions, according to the report on its proceedings.
357. The National Dialogue event 2007. Based on discussions with CUTS International, the format was changed, and the partner undertook a series of regional advocacy workshops instead of a singular National Dialogue. As a result, three workshops were held in 2007: March 12, 2007, Copper belt; April 30, 2007, Eastern Province; and July 9, 2007; Livingstone. There were 20-25 participants in each of these events, and again, there was no presence of any government official nor would any donors (although it would be difficult to expect that Lusaka based officials travel out of station only to attend such events). The Campaign Kit for 2007 was distributed at each of these workshops, and presentations on the case studies were made by persons from CUTS and ODCMT and not the researchers. The presentation contents were identical in each of these workshops, without any updates or references to sector level developments after the case studies were completed. In that sense, the Dialogues focused on static, dated observations in the case study without any attempts to include any significant changes in the economy or in the sectors. The regional workshops ended with a set of recommendations, some of which were to be followed up by CUTSARC and ODCMT with appropriate levels of government and other stakeholders.
358. The Follow up Advocacy Workshop, February 2008. The project also organized a follow up workshop in Livingstone, to communicate the findings and experiences of the project to the local media, and also discuss actions taken by the local network partners since the previous workshop. In all, 26 participants (several repeat participants) attended the workshop, and organized themselves into four work groups to consider various recommendations that emanated from the previous workshop (July 2007 in Livingstone)

and assess developments to implement those recommendations. According to the evaluator, the most important aspect was the evaluation of the workshop against its objectives and participant expectations, and the following take-aways mentioned in the report are very useful for the project:

- There should be an improvement in the dissemination of information obtained at the workshop. Media in particular should play a significant role in information dissemination.
- There is a need for a dedicated sensitization workshop for the media on TDP issues.
- Representatives from Ministry of Commerce, Trade and Industry, and Revenue Authority and other relevant institutions should be invited, as they all have a role to play and queries to competently respond to.
- Follow-up on discussed issues should be done
- Organizational branches should be developed instead of keeping the project centrally based (Lusaka).
- The workshops were received well by local participants, and in fact raised expectations for follow up actions by the project. Some participants have remained in contact with the implementation partners as well as CUTSARC, and have been requesting follow on assistance based on the issues identified in the workshops.

359. The evaluator had the opportunity to meet two such persons, both farmers in a village 20 km outside of Lusaka, and was impressed by their awareness of production and market opportunities, but also their helplessness in accessing formal institutional credit for enhancing livelihood opportunities. The inability of the project to go beyond the workshops to engender responses to identified problem-areas is seen as a major shortcoming of the project, traced to its weak design.

360. The departure from the original idea of holding a single national dialogue, to convening four regional workshops was done without any change in the budgets. The project partners were able to pool resources from their network partners for local events, and managed to conclude these meetings without encroaching upon funds earmarked for other activities.

361. The relevance of the case studies on textiles and agriculture for the regional workshops has been debated, even at some of the workshops themselves. For instance, the workshop in Kitwe in the Copper belt province has very little of agriculture, except in the fringe areas, and practically no textile industries, and the eastern province has only one product i.e. cotton, that has any relevance to the case studies themselves. In such a situation, convening workshops to merely share appreciation of the influence of trade liberalization in sectors remotely connected with the lives of the less privileged sections seems to be a tangential approach. In the evaluator's assessment, much more could have been achieved using the lessons of the case studies, as preparations for the workshops in which local stakeholders could assess and share impacts of trade liberalization on their own lives, which would have added to the evidence repertoire for the project without additional investments. The copper mining industry itself has rich experiences to share in this regard, which could have been

captured in the provincial workshops. Instead, by repeating the contents based on static observations from the case studies themselves, the workshops may have demonstrated a lack of creativity in contextualizing the messages from these studies, to be more relevant to the local participants and their livelihoods.

362. National Dialogue 2008. At the time of the evaluation, the partners were not clear whether they would be able to convene a final event in November/ December 2008. In view of non completion of agreed activities (briefing papers, media releases, etc.), the last installment of funds had not been released. In the evaluator's assessment, the partner is unlikely to be able to complete these activities before December 2008, and there is a high probability that the funds would lapse, unless alternative allocations are made, for which there seems to be little scope at this juncture.

6.6.3.3 Campaign Kit

363. The implementation partner printed 1300 copies of the Campaign Tool kit for Zambia 2007, and has distributed over 1200 copies at various workshops and other events organized in the project. It has also been mailed to key stakeholders in government, civil society organizations, and the donor community. Several persons (including the person at the Ministry of Commerce Trade and Industry) met by the evaluator remembered the kit as the "blue booklet", vividly remembering the cover page colour. However, the distribution of the kit to one or two individuals in each organization may have limited its outreach, particularly in the government departments and agencies. Similarly, the absence of a focused, wide spread distribution to donors and development institutions, may have denied the opportunity to provide a grass roots perspective to the donor community, which is engaged at various levels in the trade and poverty dynamic: as negotiators for market access, and as supporters to the national development programme.
364. The Campaign kit should have been launched by a high ranking official or a prominent member of the civil society, in the presence of key stakeholders, donors and development institutions. Specific press coverage would have brought greater visibility to the kit as well as the project.
365. The Campaign Kit's main purpose is stated as: to convey advocacy messages on the impact of liberalization on Zambia's economy and poverty situation in general. It is directed at civil society organizations. The evaluator's opinion is that while it is a useful booklet in itself, it has focused too much on the general situation, and glossed over the specifics. The useful part of the kit begins only mid way, from page 14 until page 25, while the first half summarizes various policy priorities of Zambia and key documents such as the PRSP and the fifth National Development Plan. The kit summarizes the case study findings in both the sectors, but does not produce recommendations, take-aways and calls-to-action directed at specific stakeholders (policy makers, producer groups, industry bodies, civil society organizations), based on the two case studies, and thus lacks an advocacy message for a Campaign. In the absence of the same, it remains non-actionable.

366. Zambia's campaign kit has not been posted on the project website, (Pakistan and South Africa too), and this limits its outreach only to the persons that have physically received a copy. The ubiquity and the low cost of communications on the Internet needs to be harnessed by the project at every opportunity. Even within each organization, email distribution should be as wide as possible, covering at least three levels of officials.

6.6.3.4 Media articles

367. Throughout the four year duration, only 3 press releases or media articles have been released by the partners under the project- all during 2006. This is seen as a serious deficiency in the project's implementation, particularly considering the numerous useful materials developed and events organized under the project, which could be readily used for media dissemination. The neglect of media coverage is considered a waste of opportunity for the project, to gain visibility as well as to spread its advocacy messages widely among the target audiences, thus adding to the trade and poverty reduction debate in the country. According to the partner, there was not enough clarity as to who should be developing the content, and whether the mere invitation of media persons to the events was sufficient. However, it appears that clarifications were not sought to such doubts, and inaction prevailed, to the detriment of the project. That even a media savvy CUTS could not address and correct the situation at any point of time is unfortunate, and suggests a lack of administrative coordination at both Lusaka and Jaipur.

6.6.4 Completion of activities

368. Project activities have not been completed as agreed. Important elements, such as media articles, briefing papers, and translation of the campaign kit in local languages, have not been initiated at all by the local partner. The lack of remedial action and intervention by CUTS despite the presence of a local office is also seen as a failing in the implementation arrangements. However, this has also been due to several staff changes at CUTSARC as well, resulting in discontinuities in project management. Both resource persons currently at CUTSARC have joined less than a year ago; the earlier staff having left to join other organizations in Zambia. There has not been adequate intervention by headquarters: substantive support from CUTS Jaipur has been less than satisfactory, according to the local staff. Meanwhile, even in Jaipur, programme managers have changed twice, and this has only exacerbated administrative coordination issues in the project.

6.6.5 Results

369. The main result stated by the partners is that the project has added further evidence and inputs to the sensitization of stakeholders to the linkages between trade liberalization and poverty reduction, and has enabled sensitization of grassroots stakeholders as well. In particular, the provincial workshops at Livingstone are considered to be the most useful output of the project. One result that can be claimed by the project is that the small farmers in Livingstone have successfully organized themselves as a group with the help of network partners and negotiated with a major South African retail chain (SPAR) retailer to buy vegetables produced locally instead of importing them from South Africa. The project network was able to also highlight assist in obtaining the due trading licences from the council, which otherwise pose a barrier for small farmers in accessing markets.
370. Based on the interviews with various respondents and the documents reviewed, the evaluation assesses that the project has practically no results to show in respect of its influence toward a pro-poor trade environment. This assessment is made primarily because the project has not engaged with the policy makers specifically, using the evidence from the studies and advocacy workshops held under the project. The fact that neither policy makers nor key donors (both holding the keys to policy space in the domestic and in the external markets respectively) have been involved in the project at the substantive level, leads to the conclusion that a policy level dialogue does not seem to have been undertaken. The only evidence of engagement is indirect, through the participation of CUTS in various working groups. This engagement does not lead to any sector level initiatives, thereby de linking it from the project's research and resultant campaign itself.
371. However, there are some lower-order results. One, the project has added to the repertoire of resource materials on the trade-development-poverty linkages in Zambia, even though these are not readily accessible except at the libraries and reference centres at CUTS and other organizations like CSTNZ and JCTR. This can be made considerably more effective by compiling a full list of papers and articles on a web page and distributing the hyperlink through every email going out of CUTS. This would ensure that anyone on the e-list of CUTS and its affiliates, would be able to access the latest updated list over email at a click, which would make these materials considerably more accessible and user-ready.
372. Strengthening the capacity of local partners is an expected result of such projects. However, in the Zambia case, the internal challenges in the partner organization have not been conducive to the manifestation of such a result. Apart from the osmotic effects of knowledge transfer to the programme officer handling the TDP, no beneficial effect can be expected to occur in any of the ODCMT staff. Even for the programme officer, the fact that several project activities have not taken place, has limited the knowledge gained from involvement in preparing briefing papers and other materials for dissemination. The evaluator did not find the evidence of requisite knowledge of key trade instruments, particularly the sovereign right of countries to invoke import safeguards unilaterally, to protect domestic industries from injury.

373. The project has also not much to claim by way of influencing stakeholder consultation mechanisms, seeking greater involvement of CSOs in policy discussions. Zambia has created sufficient space for civil society to be involved in policy making, through various institutional consultation mechanisms: working groups and sector advisory groups, consisting of government, donors, industry and civil society. The PRSP draft has been commented adequately by CSOs all gathered under a forum named the CSPR, which is the official recognized representative of all CSOs on such issues. It is another matter that not all sector advisory groups meet as regularly as mandated. The inclusion and active involvement of CUTS and its local partners on these groups is a satisfactory state of affairs.
374. Cross fertilization among country partners has not taken place, through exchange of ideas and experiences on a regular, one-to-one basis. Involvement in peer reviews of case studies has not taken place. RMG sector experiences of Vietnam and Bangladesh should have assisted in better appreciation of the policy responses to the same set of externalities.
375. In view of the above, perhaps the most important result of the project is that it has further strengthened the status and profile of CUTS as a credible international organization with strong local networks, but with its own different perspective on trade issues, which may or may not concur with the popular local CSO voices. CUTSARC is prominent on a number of working groups constituted by the Ministry of Trade and also on sector advisory groups under the FNDP. It participates in the civil society consultations on all the major trade agreements to which Zambia is a party, including the EPAs. Unlike other CSOs which advised a boycott of the negotiations, CUTS proposed a continuing engagement in the negotiations while keeping interests of small stakeholders at the fore front, which was noted by the government agencies as a sane voice amidst the popular refrain. CUTSARC is also (the only CSO) presently involved in studies on Competition Policy and Law, which speaks a lot for its credibility before policy makers. The local presence of CUTS both draws from and adds to its international profile and visibility at the Multilateral Trade negotiations, where the senior most officials from Zambia and other countries interact with CUTS and are familiar with its global positions on key trade issues from a civil society perspective. This makes CUTS stronger in engaging with local stakeholders to further the debate on regional trade reforms and their impact on growth and poverty, and enhances its potential influence as an international advocacy organization.
376. Despite the outward camaraderie among CSOs, there is also an inherent competitive environment, which keeps the interactions only at the level of networking events but not collaborative research approaches. All CSOs carry out their own small budget studies, without acknowledgement of other useful materials already covering these issues. There is a competition for public space and donor funds, and most organizations are small- less than 10 people.

6.7 Uganda (Nov 8-12, 2008)

The evaluator would like to place on record that the organization of the field mission in Uganda has been utterly unsatisfactory, despite sufficient advance notice (more than three weeks) of the mission dates. Despite follow ups and reminders, no meetings had been set up before the evaluator's arrival, as a result, very few meetings could be held. Moreover, the evaluator did not have the opportunity to meet the CEO of Consent, who had fallen ill after returning from an overseas mission. And, CONSENT did not send documents and filled questionnaires to the evaluator as agreed even more than a month after the visit. Therefore, despite due efforts on part of the evaluation, the analysis of the project's performance in Uganda is likely to be less robust than in the other countries. However, the evaluator was satisfied with the quality of the few meetings organized in Uganda; together, they enabled a well-rounded view of the trade and poverty dynamics in the country.

6.7.1 Relevance

377. Uganda has pursued significant economic reforms under the current regime, including trade liberalisation reforms since its Economic Recovery Programme in 1987. It has been among the fast-growing African economies, with GDP growth rates over 6-7% consistently, and a favourable investment climate for foreign investments, particularly in manufacturing. Uganda continues to open up and is a member of regional trade blocs EAC and COMESA, and is part of the East Africa EPAs with European Union.
378. Coffee and cotton are the major exports from Uganda, and both have seen market challenges and declines, due to sector-level institutional challenges as much as from international market behaviours. Uganda's trade export policies are aimed at gaining competitive market shares for non-traditional items (e.g. maize) in East Africa, US (under AGOA) and in the European Union under the existing and emerging preferential market access concessions.
379. One of the notable effects of economic liberalisation has been the collapse of cooperative system and parastatal bodies, on which a large number of weaker stakeholders have traditionally depended for stable incomes and market access for their produce. Now, when the market opportunities seem to be increasing for labour-intensive agriculture produce, the absence of institutions to support the primary sector to expand production is seen as a major supply side constraint in meeting such opportunities.

6.7.2 Selection of Partners

380. The implementation partner in Uganda, CONSENT (Consumer Education Trust of Uganda), is among the better known organizations representing consumer interest issues in Uganda, and has been a network partner of CUTS International for some years. The organization has also been among the civil society networks involved in the trade policy dialogue, particularly the EPA negotiations in Uganda.
381. Besides the TDP, CONSENT also operates other programmes funded by MS Uganda, and other donors. The organization has a full time staffing of 8 persons, and operates in two locations in Kampala, one office dedicated to consumer complaint issues, and the other dedicated to research and advocacy issues.
382. Based on the first hand experiences of the evaluator both in terms of organizational capabilities and trade-related capacities, the selection of the partner is questionable, despite the organization having good credentials in consumer issues. However, in the absence of sufficient information and discussions with the key person, these observations may have some amount of inaccuracy and bias.

6.7.3 Activities and Outputs

6.7.3.1 Stakeholder Perception surveys/ case studies

383. The Country Background document was completed in 2005, and the case studies, in 2006. In general, they cover stakeholder perceptions rather well, despite the limited budgets available for the case studies.
384. **Dairy:** The case study was written by two persons, Dr Geoffrey Bukanda of the Makerere University, and George F. Walusimbi-Mpanga, of the Uganda Service Exporters Association. Mr. Walusimbi is also a member of the Inter Institutional Trade Committee, chairs the working group on Public Sector Development, and is on the Technical Committee on Services, appointed by the Ministry of Trade Tourism and Industry.
385. Uganda's dairy sector had been under government control prior to 1990. The state-owned Uganda Dairy Corporation (UDC) operated a nationwide network of milk collection and distribution, and set reference prices for purchase of fresh milk from small farmers' cooperatives. Other than the UDC, there were only small, local buyers of milk, procuring for institutional purchases in the hospitality sector. In the early 1990s, organized private sector participation was allowed into the sector, and five milk processing units came up in competition to the UDC. The UDC was hived off into an independent entity (Dairy Corporation Limited, DCL) and the milk collection assets transferred to the cooperatives, which too were handed over to the DCL. However, DCL did not have the obligation to procure all the milk from the cooperatives, nor guarantee a reserve price, unlike in its former status as the UDC. Further, it had to compete with the private sector to procure milk from its own catchment areas.

386. Initially, milk production rose rapidly in response to the demand from the private sector plants, and prices became more remunerative as the private sector offered higher farm gate prices compared to the state utility. According to the study, the situation was temporary and lasted for about one year during which time new investors were also entering the market. However, the positive market signals had attracted many small and medium farmers to increase production.
387. Due to the 'new competition' DCL could neither guarantee regular purchases from farmers which quite often reduced the volumes purchased nor the prices farmers were paid for their milk. At the same time, the private buyers operated purely on commercial basis, had no established milk buying centres and their purchases from farmers were more sporadic than under the UDC regime.
388. Privatization of milk procurement failed to create appropriate investments in secondary processing; as a result, there was a surplus of pasteurized milk but no value added products. Meanwhile the dismantling of the state extension services and withdrawal of subsidized inputs, increased farm costs considerably. This led to a situation of high price volatility in milk and dwindling margins, even losses to farmers. During privatization, farm gate prices for milk remained unchanged at 200 shillings a litre, despite processed milk prices having doubled from 600 to 1200 shillings. The inter-seasonal fluctuations 200 to 350 shillings from flush to lean seasons also exposed the farmers to greater risks.
389. Over a period of time, unorganized networks emerged for unprocessed milk, and encroached into markets for processed milk, offering consumers real price savings. This was possible because the private sector had not invested in distribution networks to reach various micro markets. As a result, capacities remained under utilized in the private sector as well, triggering a downward spiral in the sector.
390. The key conclusion from the case study (reproduced verbatim from the study, given its succinct yet powerful message) is **“It is apparent that a liberalized regime that has not been accompanied by appropriate institutional framework and regulatory reforms has created “confusion” in the sector, leaving the weakest members of the sector, the farmers, prone to exploitation and without protection or support.”**
391. The chief causes of liberalization of the dairy sector are not fully understood, as there was no external pressure from structural adjustment programmes at the time. The UDC was not a loss-making organization either. Informally, it is understood that privatization was pushed by private sector parties eyeing the lucrative business, including export potential into neighbouring Rwanda. Another aspect of the liberalization was that the entire infrastructure that was 'gifted away' was not an investment of the government, but was donor-funded (DANIDA). It is not clear whether the move to corporatize UDC had the approval of donors based on due consideration of social aspects as much as economic rationale.
392. The government created a regulatory body- the Dairy Development Authority, but did not resource it adequately to carry out its role of developing the sector under a free market regime, nor maintain appropriate quality standards for milk, eventually resulting in import bans on unprocessed milk being imposed by neighbouring markets. The absence of state

regulation is seen as the biggest lacuna in the liberalization experience, under which no one benefited eventually.

393. **Observations on case study:** The case study is well researched and equally well presented with several anecdotes from the field studies, and the perceptions of the grass roots stakeholders speak out to the reader. The study covers developments arising from liberalization and their implications for different stakeholders and parts of the value chain: farmers, procurement agents, cooling and transportation infrastructure, the cooperative institutions, private sector processors/ traders as well as the regulatory body itself.
394. The other plus point in the study is that its assessments can be considered to be fairly representative: it has covered the principal milk growing areas in Uganda, and has extracted tape recorded interviews from over.... farmers, and has even quoted from these interviews. Moreover, the use of the analytical framework developed by Alan Winters is thoughtful; the framework makes the assessments objective. The approach and methodology used in Uganda's case studies can serve as a best practice model for carrying out similar studies in other sectors/ countries.
395. The evaluator's only observation on the case study is that it stops short of making specific recommendation or calls for action, which could be picked up for discussions and advocacy, to engender corrective actions at the policy or the institutional levels, which could have a result in terms of poverty reduction.
396. **Maize:** The story of liberalization in Uganda's maize sector has a track rather similar to the dairy sector. The developments are nearly the same: the dismantling of the state control institutions in the sector, and entry of speculative private sector operators that did not invest in the value chain and left the farmers vulnerable to price fluctuations. The poor regulation and absence of technological innovations restricted quality as well as price competitiveness, making it difficult for Uganda to generate an exportable surplus to take advantage of readily available export markets- Kenya, and procurements by the World Food Programme. The chief conclusions of the study, in respect of the factors that have restricted the sector are:
- Agricultural Marketing Structures and systems that assisted in transferring rural produce to organized markets were dismantled and never replaced effectively.
 - The market structures that emerged after liberalization were largely informal with the quality of the private sector inadequate to effectively replace the structures that operated before liberalization.
 - After liberalization, private sector did not make necessary investments in marketing infrastructure and with the necessary competencies to market farmers' produce effectively both domestically and internationally. Marketing systems remained largely informal and inadequate.
397. **Observations on case study:** The case study is well detailed, although it does not adequately explain why there are severe fluctuations in maize prices in the domestic market in the absence of any import competition, particularly considering that maize has a reasonable shelf life after storage. Also, the reasons and compulsions leading to

dismantling of the Produce Marketing Board are not known, nor the reasons behind selling off the assets to private grain traders, instead of corporatizing the state corporation, as was the case in the dairy sector. As in the dairy sector case study, the maize case study too does not provide actionable recommendations for advocacy to improve the situation.

398. **Uganda's PRSP document:** Uganda's development planning is embodied in its Poverty Eradication Action Plan (PEAP), which has five pillars: (a) Economic Management; (b) Production, Competitiveness and Incomes; (c) Security, Conflict Management and Dispute Resolution; (d) Good Governance; and (e) Human Development. The PEAP brings in trade into the employment and income generation pillar through the Strategic Exports Programme, which focuses on value added exports to take advantages from the preferential market access opportunities such as AGOA and EBA, and subsequently, the EPAs. The export sectors identified are: coffee, cotton, tea, fish, livestock, horticulture, and ICT. The strategy for the export-oriented agriculture sector itself is based on the Agricultural Zoning Initiative, which seeks to develop sustainable export- competitive product clusters, so that "farmers will produce products that can be marketed, in quantities and standards that meet the requirements of the market". However, under the initiatives for strengthening exports, the areas identified are: (a) formulation of a National Export Strategy; (b) review of roles of the key export services/support institutions – Uganda Standards Bureau and the Uganda Exports Promotion Board; and (c) setting up industrial parks, possibly using the Public Private Partnership model. However, these plans are not sufficiently detailed to reflect the operational aspects of the strategy.
399. The current PEAP, which comes to an end in 2009, will be amended into a National Development Plan (NDP) with a five-year implementation period. The NDP is currently in the drafting stage.
400. Efforts toward aid effectiveness are visible in Uganda, where donors have pooled their support and allocated percentages toward budget support, and sector-level interventions. Nearly 40% of external support is earmarked toward budget support; 15% toward sector development; and 45% toward project support to priority areas identified by donors in consultation with the government. EU assistance goes mainly into rural development and trade, given the importance of the EPA partnerships and the market access opportunities available. Coffee, fisheries and tea are specific products in which EC assistance is available, for strengthening of trade capacities, standards, market information and policy reform. There is also a division of labour among donors, in leading the engagement in specific areas: macro-economic stability; private sector development; trade; infrastructure, etc.
401. According to the EC, a key donor and development partner, the development planning process in Uganda is highly consultative and gives due consideration to the views and suggestions of partners and stakeholders, including donors and civil society groups. However, some challenges still remain in directing resources into the most productive economic sectors, particularly from the poverty reduction perspective. For instance, it is difficult to understand why resources are allocated for new and untested areas: goat and rabbit farming, instead of addressing critical issues such as coffee wilt disease, which could produce results sooner in a sector that is already competitive, and generates considerable employment and foreign exchange.

402. Poverty reduction in Uganda needs to manifest in the agriculture sector, and therefore, the focus of development planning should be to enhance the productive capacities, to be able to generate a veritable surplus of an acceptable quality standard, in order to harness the market access opportunities available under various preferential agreements. However, there are challenges from the lack of absorptive capacities, and inadequate analytical and technical capacities in line ministries and institutions. This is particularly applicable to the Ministry of Agriculture, which governs the development of the entire agriculture and livestock sectors, and thus is a key stakeholder and actor in Uganda's drive toward export-oriented growth and poverty reduction. This lack of absorptive capacity implies that even available funds cannot be deployed effectively into sector projects.

6.7.3.2 National Dialogue

403. The First National Dialogue event, September 1, 2005. The dialogue attracted around 60 stakeholders from different sectors in the country that included policy makers from government departments, regulatory agencies, civil society organizations (CSOs), consumers, development partners, and media persons. The research agency DENIVA presented the background paper and highlighted the perceptions on effects of trade liberalisation using Alan Winters' theoretical framework as a model.

404. The National Dialogue 2006: No details are available on this event on the TDP website, nor were provided during the visit to Uganda, and, till the end of the evaluation, the Uganda national partner had not sent the evaluation questionnaire and the documents on the project as agreed during the visit.

405. The National Dialogue event 2007: Instead of a national dialogue, a regional event was held in the Mbale province in May 2007 and was attended by 29 participants. The Campaign kit was released and distributed to participants, and was followed by discussions on the linkages between trade, development and linkages, as well as the key features of the Poverty Eradication Action Plan in the use of trade as an engine of growth and reducing poverty. No details are available as to the other regional events.

406. National Dialogue event 2008. There are no plans for a National Dialogue event to mark the end of the project.

6.7.3.3 Campaign Kit

407. Uganda's campaign kit is a document directed at the layman, which explains the linkages between Trade and Poverty Reduction, covers the key policy instruments in Uganda, and outlines expectations from Trade Policy and other planning/ development strategies. It is a useful stand-alone document. However, it has no links with the activities under the programme, nor does it use the anecdotal evidence unearthed in the case studies to drive home the argument toward a poverty-reducing trade/development policy. In that sense, it does not adhere to the logic and process prescribed by the project. However, CSOs met by the evaluator, as well as the official at the Ministry of Trade remembered the document as a useful contribution to the dialogue on trade and poverty. The kit has been distributed at

various events organized in the project as well as in other networking events organized by CONSENT as well as other organizations. However, no translations were made into local languages. This is understandable as English is widely spoken in Uganda, and there are several local languages and it would have been difficult to translate a few copies for limited local distribution.

6.7.3.4 Media articles

408. No media articles or briefing papers have been cited as having written by the partner, specific to the project.

6.7.4 Completion of activities

409. The precise status of national dialogues in 2006 and 2007 could not be ascertained due to the lack of information from the national partner.

6.7.5 Results

410. Considerable research has already been done in both dairy and maize sectors, which could have been used as the basis for developing specific actions for engagement with institutions. The research materials put together by DENIVA in other projects as well as under the TDP are of good quality. Given this, the inability of the project to interact with the institutions such as the Dairy Development Authority and other sector level institutions, is a failing of the project, from a results point of view. There was inadequate dissemination to donors and government stakeholders, and practically no engagement with the sector/ product institutions, even though the project provided an excellent opportunity for the same. The evaluator believes that the partner was not strong enough on analyzing trade issues at the sector level, and is also more focused on consumer rights issues than trade advocacy, compared to other CSOs in Uganda. The lack of appropriate human resources was evident to the evaluator based on his first hand experience in Uganda with the evaluation.

411. According to a respondent in the Trade Ministry who had participated in some events, it would be overambitious to expect any outcomes in form of policy change, from projects such as the TDP. This is because even the government is constrained and challenged in implementing policy that it has committed itself to. The best that projects such as these can do is to strengthen the arguments for poverty reduction in domestic as well as international policy dialogue, and enhance the involvement of CSOs in the process of policy making. However, very few organizations have demonstrated sufficient technical and analytical rigour in their positions, and this reduced their credibility to an extent.

6.8 India (intermittent; Aug, Nov, Dec, 2008)

6.8.1 Relevance

412. India has made significant strides from its heavy emphasis on import-substitution for industrial growth since the 1960s, to an increasingly open trade regime initiated during the last two decades. It is among the world's fastest-growing economies, and has steadily increased exports from less than 6% of GDP in 1990 to over 13% of GDP in 2005.
413. Exports are well-diversified, and a large share comes from highly labour-intensive, low technology products: textiles/clothing; handicrafts; jewelry and stones; etc., as well as skilled labour-intensive knowledge sectors: IT, engineering goods and pharmaceuticals.
414. Despite robust economic performance, a large section of India's vast population lives in poverty, and India has the largest population of poor people (over 260 million) in the world. More than 65% of India's population, even more in rural areas, is engaged in agriculture, which remains a highly protected sector in terms of import competition. However, India is on the path of progressive import liberalisation, including selectively in agriculture products, such as in edible oils.
415. Given the vast diversity in the economy, the consequences of liberalisation are not uniform and even one action of policy can affect large sections of people significantly. For instance, the tradeoffs between consumer welfare gains from cheaper imports of edible oils, and the potential loss of income for oilseed farmers calls for a sensitive handling of trade liberalisation to ensure that the overall welfare effects are positive while mitigating the negative consequences for some stakeholders. Such challenges call for a highly consultative and inclusive approach to policy making to ensure that economic liberalisation works for the poorest of the poor.

6.8.2 Selection of Partners

416. Unlike in other countries, the local implementation of the project was done from CUTS headquarters in Jaipur, India, by the two staff assigned to the project. CUTS International enjoys high visibility in India in consumer and trade issues, and is considered the ideal implementation agency for the project in India. However, frequent changes of project staff may have frittered away this enormous advantage.

6.8.3 Activities and Outputs

6.8.3.1 Stakeholder Perception surveys/ Sector Case Studies

417. **Oilseeds.** The oilseeds sector has been selected as a sector that has been affected adversely by trade liberalization. India's oilseed sector, is a complex of over 10 major crops- ground

nut, rice bran, soya bean, coconut, rapeseed, etc., and more than 12 states are involved in oilseed production. However, the case study focuses only on one product namely rapeseed and only one location Rajasthan, which is a leading producer of rapeseed. The representativeness of the study on the trade and poverty linkages across the edible oil sector can be debated, given that one of the main economic issues in the assessment of the poverty alleviation aspects in oilseeds sector is the **price per energy unit** (Rs/ Kcal), which vary enormously from oil to oil, and also reflect the growing popularity of competitive import substitutes, principally, palmolein and corn oil.

418. The study was carried out by a Professor at the Department of Economics, University of Rajasthan, who has been associated with other research projects including for the World Bank. The study is based on secondary research, interviews with key institutions connected with the edible oil sector, and primary interviews with grassroots stakeholders in Rajasthan.
419. The report concludes that Rajasthan's mustard-rapeseed industry has been adversely affected by liberalization. However, the causes of the poor shape of the processing industry include high raw material prices- which would indicate that the oil seed producers would have better prices for their produce, given the low capacity utilization. This contradicts the conclusion that oilseed farmers are worse off as a result of liberalization.
420. The case study on oilseeds was also presented at the National Dialogue (November 2005, Jaipur). Reference was made at the dialogue event, to the low landed prices of palm oil from Malaysia as being a major threat to Indian oilseed producers. Yet, in the case study document itself, import is not cited as a threat. In fact, the report mentions two safeguard interventions that prevent imports from adversely affecting the domestic oilseeds sector: palmolein import duties are bound at very high levels, compared to soya bean oil, and a Tariff Rate Value system which entitles the government to fix a reference base price for the landed value, not necessarily the same as the value stated on the bill of lading, for calculation of import duties.
421. There appears to have been practically no involvement of bodies such as the Solvent Extractors Association of India, and state agriculture department (MSP applies on oilseeds) to ascertain the impact if any of imports on local rapeseed producers.
422. The evaluator had the opportunity to discuss the study at length with the author and understood the following aspects:
 - Strong local preferences for traditional oils dominate edible oil consumption and mustard/rapeseed has remained strongly entrenched in East India and in Rajasthan. As a result, the threat from import substitutes has not resulted in consumer shifts away from the traditional edible oils, which also form an important means of subsistence for the farmer community in Rajasthan.
 - The impact of import substitutes if any on local oilseed producers and oil expeller units is on account of adulteration. It is understood that refined palm oil is miscible with locally produced oils, and can easily lead to adulteration of mustard oil, and be sold at lower prices. This has indeed happened due to unscrupulous trade practices. However, this is an issue of enforcement of domestic law and order and not an impact of trade liberalisation and free market practices.

- Stakeholders also respond to changes in market conditions. Crop diversification from traditional oils to newer, high-yielding yet cheaper edible oils is prevalent also in Rajasthan. Sunflower and soya bean cultivation have been on the rise in recent years all over India, based on their increasing acceptance among consumers. Therefore, the vulnerability of the farmers cannot be assessed only in terms of effects on a single crop's market dynamics. Moreover, the major characteristic of India's edible oil sector is its aggregate shortage, and not products cannibalizing on one another. The absolute production of rapeseed and other conventional oils has not reduced as a result of import substitution, but their share of the market is reducing due to the inability of domestic production to meet demand growth.

423. Observations on case study:

- The key conclusion of the study on oilseeds was that increased imports of edible oils during 2002-2005 had the effect of lower price realization for mustard farmers in Rajasthan, given the inherent differences in cost of production of imported palmolein and locally crushed/ processed mustard oil. However, there have been significant year-to-year changes in the business landscape which contradict the conclusions of the study. For instance, in 2007, the government liberalized oil imports and scrapped the import duty on edible oils, as a response to rising commodity prices, including a 60-80% rise in wholesale market prices of oilseeds, including mustard seed. And, in 2008, the government is re-imposing import duties on imported edible oils, based on falling prices of domestic products.
- India has a traditional shortage of edible oil, despite its large agriculture sector. Despite technology missions to enhance production of oilseeds, the demand has grown faster than domestic production growth. To meet its demand, imports have been encouraged, with a preference for the low cost palmolein oil, and with sufficient tariff protection to the traditional oils produced in India- coconut, ground nut, mustard and soya. Applied tariffs have been always been well below the WTO bound rates (45%, 85% and 300% depending on the oil), and India has invoked safeguard measures without any delay on numerous occasions. Government organisations also use market intervention operations to provide imported vegetable or butter oil to the poorest sections, through the targeted public distribution system. At the same time, import of unrefined edible oils is allowed, whereas imports of oilseeds are prohibited.
- All these actions reflect a balanced sector policy, under an overarching policy to keep the edible oil prices within reach of the consumer, particularly the economically backward sections. The project has not been able to capture this overall benign policy framework, nor updated the case studies based on key developments that took place in the tenure of the project itself.
- Even though the study offers some useful inputs, it has not been taken up by the project for advocacy towards policy prescriptions in the state. For instance, having identified that weak law enforcement was the principal cause for reduction in local incomes for farmers as well as crushing units, no specific anti-adulteration or consumer rights campaigns were initiated by CUTS, which is decidedly, one of India's most active organisations working on consumer rights.

424. The case study also highlights that farmers do not need to have knowledge of WTO and other trade terminologies; rather they should know the government's interventions such as minimum support prices, and market intervention mechanisms, in order to effectively voice their interests in before government. There are good examples in the edible oil sector itself: the state-led import-deterrent actions to protect coconut oil, the main traditional edible oil produced in the state.
425. **Carpets.** The handmade carpets sector was selected as a case study, in view of the large scale employment in traditional carpet weaving areas in India's hinterlands, and its rising export performance. The study was prepared by CUTS staff associated with the TDP project. The case study does not indicate the number of primary stakeholders met, but the regions covered, i.e. Bhadohi, and Panipat, are representative of the major clusters producing carpets.
426. India accounts for over 25% of world trade in hand knotted carpets. Carpet exports have grown steadily and stood over US\$ 625 mn in 2005-06. However, globally, handmade carpets account for only 1% of the entire production of carpet floorings, and thus are insignificant in terms of consumption, being seen increasingly as works of art rather than flooring medium. The carpet industry provided employment and livelihoods to over 2.5 million artisans.
427. The government supports the sector through the Carpet Export Promotion Council, which assists in market development and export incentives, and through the Indian Institute of Carpet Technology, which assists in technology/productivity upgradation and processing techniques for the sector.
428. The study points out that the effect of trade liberalisation on carpet trade is not clear. On the one hand, while markets in developed countries are growing, and provide opportunities under GSP regimes for duty free and quota free imports, competition for India has been increasing from other developing countries: mainly Pakistan, Iran, China and CIS. A major challenge for handmade carpets is the passing –off of machine-made carpets from China, and other origins, as handmade carpets, which erode prices as well as market penetration for original, traditionally produced products.
429. Income, wages and livelihoods in the sector depend on continuity of business and market preferences, overall market conditions in the global market, and the balance of power between importers, traders, and weavers. However, in rural clusters, it is clear that carpet weaving provides supplementary incomes to rural families and contributes to fight poverty, and thus is an important beneficiary from expansion of markets. As a result, the study argues that the sector requires adequate support to withstand international market fluctuations, and to ensure a fair, non-exploitative business practices by buyers and sellers.
430. It is not clear how the study has been used for advocacy within the sector, and what are the key action areas identified to solve the menace of spurious goods. The evaluator is aware of several initiatives in India, including in Bhadohi, for the registration and protection of India's carpet sector for Geographical Indications, which can then assist in enforcement of intellectual property rights. Similarly, buyer and consumer awareness programmes to identify and distinguish genuine handmade carpets from machine made products, can assist in detention of spurious goods in markets. Some of these actions need to be forcefully

pursued by the industry and export bodies concerned, and the project should have taken up some of these issues for market-oriented actions.

6.8.3.2 National Dialogue

431. National Dialogue 2005. The event was held in November 2005, and the country background report as well as the case studies was presented by CUTS and external resource persons involved in the preparation of these documents.

432. National Dialogue 2006: this paper was not found on the TDP website, nor was it sent to the evaluator subsequently.

National Seminar on Globalisation and India: Voices from the Ground Lucknow, Uttar Pradesh, India, December 18-19, 2009

<http://www.cuts-citee.org/pdf/Report-GRANITE-NationalSeminar-Dec06.pdf>

433. National Dialogue 2007: Based on consultations among all the country partners, it was decided to replace the annual Dialogues with a number of regional events, in order to have greater outreach at the regional levels. Accordingly, instead of one event, CUTS organized two regional events, one at Lucknow (north India) and the other at Kolkata (east India), on the theme of gender in trade and development issues, using illustrations of gender inequality in labour-intensive export sectors. The events were attended by 42 persons in Lucknow and 16 persons in Kolkata, respectively. Without disregarding the importance of gender issues, it is not clear how this theme fitted with the advocacy messages generated from the case studies in the two sectors, in which the gender dimension was not analyzed or found significant. These workshops stand out as isolated exercises in the project, as no other country pursued a gender theme in the workshops.

434. National Dialogue 2008: One event was held on July 24-25, 2008 at New Delhi. It was attended by a number of reputed economists from leading economics research institutions and also government officials. The event had two themes: i) Responding to the challenges of International Trade and securing an inclusive path to development: and ii) Is the stage set for mainstreaming international trade into the National Development Strategy of India? It is not clear why the format of three local workshops was again reversed to the original format of a single national dialogue. CUTS and its partners in India (in other projects) has been organizing many events across the country and distributing TDP related documents in those events.

435. International Conference: Coinciding with its 25 years celebration, CUTS organized a high-profile, two-day international conference in August 2008 on the theme “Global Partnership for Development”, which was attended by key international figures, including Supachai Panichpakdi- Secretary General UNCTAD, Pascal Lamy, Director General WTO; and a number of high-ranking officials from other international institutions. The fact

that the event was held shortly after the collapse of the Doha Round talks, enabled participants to introspect and consider fresh approaches to trade talks, given the criticality of development dimensions in trade liberalization. It was stressed that a just and equitable framework for international trade was an imperative under MDG 8, and this required the creation of veritable market access opportunities on part of countries, as well as donors living up to their commitments for provision of additional and unconditional aid, particularly considering the special challenges and needs of LDCs and other small vulnerable, landlocked economies. The event ended on an optimistic note, observing that the failure of the Doha talks was a temporary bump, and with hopes that multilateralism would reinvent itself in a more resolute avatar.

6.8.3.3 Campaign Kit

436. The Campaign Kit 2008 targets a cross section of stakeholders: policy makers; industry bodies; civil society groups; academia and research bodies, and other stakeholders interested in globalization and trade justice. The Kit has three sections: background on trade liberalization (with specific focus on EU as a trade partner); linkages between trade, development and poverty reduction (also India's progress against MDGs); and Advocacy Messages drawn from the project case studies.

437. The highlight of the Kit is Section 3, titled Key Advocacy Messages, in which seven specific messages are featured, drawing on illustrations and examples from the case studies on India's oilseeds and carpet industry.

6.8.3.4 Media articles and Briefing Papers

438. In all, six briefing papers were authored by CUTS staff under the project. As for media articles, there have been a number of articles on issues linked to trade and poverty, and CUTS is highly media savvy and visible through its several projects.

6.8.4 Completion of activities

439. Almost all agreed activities have been completed, according to CUTS, even though the TDP website does not carry details of some activities for 2008. Also, it is evident from the project documents that no specific project-based advocacy in the carpets and oilseeds sectors was undertaken by CUTS after the national dialogue event in 2005.

6.8.5 Results

440. Unlike other field countries, there were no separate local partners in India, and all the activities were supposedly handled by CUTS staff assigned to the project. The overlap between their activities specific to India and overall management of the project made it

difficult to separate out the two parts to assess the in-country activities. Moreover, CUTS has been very prolific and visible in India on trade and development issues, through a number of projects. During the four-year tenure of the TDP, there were at least two more projects pursuing similar or related themes: GRANITE and MINTDEV, being directly linked to trade and poverty issues. Besides these projects, CUTS also participated in several outreach events under projects being implemented by other agencies, for instance, UNCTAD India's "Strategies and Preparedness for Globalization". As a result, it cannot be said that CUTS outreach activities under the TDP were distinctly different and targeted an audience specific to the TDP and different from its other interventions.

441. Purely from the perspective of adequacy, it is important to consider that the project has focused on a very small section of the stakeholders in the two sectors. Given the enormity of India both geographically and demographically, the size of the intervention should have been commensurate with the size and spread of these sectors across different parts of India. This is a major shortcoming of the project design which has used a one-size-fits-all approach to budgets and activities.

6.9 List of persons met in the evaluation

Name	Designation	Name of the Organisation
Vietnam		
Alice Pham	CUTS Programme Coordinator	CUTS Hanoi Research Centre
Prof. Dr. Vo Dai Luoc	President of Asia-Pacific Economic Center	VAPEC (Vietnam Asia-Pacific Economic Center)
Dr. Vo Tri Thanh	Director	C I E M
Dr. Nguyen Thi Lan Huong	Vice Director	ILSSA (Institute of Labour Science and Social Affairs)
Nguyen Thi Minh Huong	Sociologist/Lecturer	Academy of Journalism and Communication, Faculty of Sociology
Mrs. Nguyen Phu Ha	Deputy Director General	Dept of National Economic Issues, Ministry of Planning and Investment
	Director	VINATEX
Mr. Thanh	Officer for WTO	Government Office- Ministry of International Affairs
Mr. Quang	On Deputation	World Bank
Nguyen Thi Tong	Director	CDI (Center for Development and Integration)
Than Thi Tuy Hoa	Project Officer	CDI (Center for Development and Integration)
Le Van Ha	Vice Director	CDI (Center for Development and Integration)
Bangladesh		
Dr. Atiur Rahman	Chairman	Unnayan Shammannay
Shaheen	Project Coordinator	Unnayan Shammannay
M. Abu Eusuf	Associate Professor	Department of Development Studies, University of Dhaka
Prof. Mustafizur Rahman	Executive Director	(CPD) Centre for Policy Dialogue, Bangladesh
Mr. Fasiur Rahman	Secretary General	Bangladesh Garments Manufacturers and Exporters Association

Taiabur Rahman	Associate Professor and Chair	Department of Development Studies
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