

MAINSTREAMING TRADE



UNDP helps national stakeholders to design and implement a strategy for mainstreaming trade in order to enhance policy coherence and the development impact of trade policies, effectiveness of institutional mechanisms and national ownership of initiatives supported by the Enhanced Integrated Framework (EIF) and Aid for Trade.

Mainstreaming trade is defined as the process of integrating trade into national and sectoral development planning, policymaking, implementation and review in a coherent and strategic manner. This means taking trade-related issues into account when planning and executing broader development objectives. It further implies using trade proactively to attain specific national development goals, including poverty reduction. Mainstreaming takes place at three levels: 1) policy; 2) institutional; and 3) international cooperation.

At the **policy level**, mainstreaming involves setting a vision, strategic goals and action plans. It involves enhancing understanding and awareness of how trade can contribute to development and ensuring that trade is taken into account in setting national priorities. Trade on its own cannot deliver development objectives; complementary policies are required and must be properly sequenced.

At the **institutional level**, the active leadership of the department or entity responsible for trade is vital. Closely related to this is the dynamic engagement of the main stakeholders: government departments and local authorities, private sector, civil society, academia, and etc. Management capacity is also needed in the lead trade agency to conduct the necessary analyses, facilitate coordination, advocacy, implement and review.

At the **international cooperation level**, mainstreaming trade involves ensuring that trade-related aid focuses on priorities that will deliver the strongest impact on development and that aid is aligned to nationally defined priorities. Donors, governments, the private sector and civil society must all work together; mainstreaming trade is a joint responsibility of both countries and development partners.

WHY MAINSTREAMING TRADE?

Mainstreaming trade into the national development policy framework and planning cycle and processes is important for ensuring trade contributes to the attainment of development objectives, including poverty reduction. Trade can be a powerful tool for poverty reduction and development but the benefits of trade reforms for development are not automatic.

Mainstreaming trade into the development cycle – including donor coordination- will make linkages explicit and allow accounting for adjustments that may arise from liberalization as an integral part of the strategy. The right policy mix and sequence can then be identified, capacities built and regular assessment of implications of policies taken into account in the policy development cycle.

CHALLENGES OF MAINSTREAMING

- Limited capacity to conduct trade policy analysis in lead trade agency and key stakeholder groups;
- Human, financial, technical and management constraints which affect implementation capacity;
- Administration is fragmented while inter-ministerial action and policy coordination is difficult to organize. Weak leadership limits the lead trade agency's ability to influence key policy decisions, including national budget;
- Political culture of limited participation which results in poor accountability in trade-related reforms and negotiations; and
- Limited country ownership and accountability with respect to trade development cooperation.

MAINSTREAMING TRADE ROAD MAP

The mainstreaming trade road map exercise is customized around the country's needs and will result in the following results:

- Stakeholders and authorities are aware of the objectives, benefits and challenges of mainstreaming trade;
- A diagnostic report of the status of mainstreaming trade is prepared through a dedicated questionnaire addressing the various dimensions of the process;
- A mainstreaming trade strategy with a roadmap is drafted on the basis of consultations. The roadmap features country tailored actions for mainstreaming trade at the policy, institutional and international cooperation levels;
- Roles and responsibilities for the implementation of the mainstreaming trade road map are defined and a national network and/or executive group is designated to lead its implementation.

An indicative timeframe is presented below.

ACTIONS	TIME
Establish the context (literature review, appointment of focal point in beneficiary Government, dates setting, and etc.)	2 weeks
Preparatory work for in-country consultations	2 weeks
Main advisory mission and in country consultations: <ul style="list-style-type: none"> • Face to face working sessions with stakeholders • Preparation of the road map for mainstreaming trade • Road map validation and debriefing with national authorities 	2 weeks

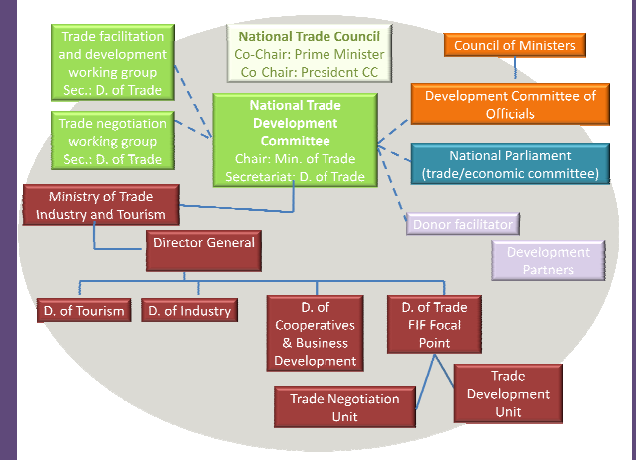
RESOURCES

Making Global Trade Work for the People, UNDP et al., (2003)

Trade and Human Development, A Practical Guide to Mainstreaming Trade, UNDP (2011)

Mainstreaming trade: Example of a road map for Vanuatu

Policy and institutional mapping



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