Trócaire Development Review, Dublin, 2005, pp. 85-102, ISSN 0790-9403

Trading for Development: Developed Countries' Responsibilities under MDG 8

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Trade reform is a key component of MDG (Millennium Development Goal) 8, Develop a global partnership for development, along with aid, debt, youth employment and access to affordable medicines. This article analyses the trade dimension of Goal 8, outlining both the strengths and weaknesses of the current formulation of the goal in the light of ongoing trade debates. The authors then go on to evaluate the current performance of donors on the trade dimension of Goal 8, based on the recent publication of donor country MDG reports. They identify a number of areas of progress, but conclude that the trade dimension requires much greater attention if the MDGs are to be met.

Background

Goal 8 – Develop a global partnership for development – was a late addition to the MDG (Millennium Development Goal) portfolio, included in the "Road map towards the implementation of the Millennium Declaration" in 2001. It attempts to redress the imbalance in earlier versions of the goals, by setting out specific commitments that developed countries must make to support developing countries' achievement of the other seven goals. As UNDP (United Nations Development Programme), in its 2003 *Human Development Report*, stated: "If Goal 8 is ignored, it is hard to imagine the poorest countries achieving Goals 1-7" (UNDP 2003).

Goal 8 covers five broad areas: trade, finance/debt, youth employment and access to affordable medicines and new technologies, for which a number of targets and indicators are specified. Here we focus on those that are related to trade, as set out in Box 1.

The inclusion of such trade-related targets as part of Goal 8 is welcome for three reasons. First, trade is a key tool for economic growth as well as being an integral aspect of the relationship between North and South. Second, the targets are fairly clear and are quantifiable. Third, they can be used to hold governments to account for their commitment to a global partnership.

However, they also contain a number of weaknesses. The focus is rather narrow, with most attention being given to the treatment of developing country exports of goods. In addition, they are inadequately specified; in particular, unlike other MDGs, the trade targets are not time-bound. In this paper, we examine each of these weaknesses in turn, before turning to an examination of how selected donor countries have reported on their performance in relation to Goal 8's trade related aspects.

Key contentious issues

Narrow focus

A first contentious issue around trade and goal 8 is the narrow definition of the issue. While access to Northern markets for goods, agricultural subsidies and support for trade-related capacity building are critical issues, this focus represents a limited interpretation of the measures required if developed countries and the global trading regime are to deliver real benefits for developing countries. Certainly measures to increase their services exports can make a contribution to their development efforts. Moreover in the Doha Development Agenda (DDA), agreed by World Trade Organisation (WTO) trade ministers in November 2001, a broader approach was recognised as being

Box 1: Trade-related targets and indicators

Targets	Indicators*
Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading system	Market access indicators:
Target 13: Address the special needs of least developed countries (LDCs). Includes: tariff and quota free access for LDC exports	**Indicator 38:** Proportion of developed country imports (by value and excluding arms) admitted free of duties and quotas from developing countries and LDCs **Indicator 39:** Average tariffs on agricultural products and textiles and clothing from developing countries **Indicator 40:** Agricultural support estimates for OECD countries as a percentage of their GDP **Indicator 41:** Proportion of ODA (overseas development assistance) provided to help build trade capacity
Target 17: In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries	**Indicator 46:** Proportion of population with access to affordable essential drugs on a sustainable basis
Target 18: In co-operation with the private sector make available the benefits of new technologies, especially information and communications	**Indicator 47:** Telephone lines and cellular subscribers **Indicator 48:** Personal computer and internet users

**NB* The numbering and the description of the indicators has changed over time. These are taken from UN, *Implementation of the United Nations Millennium Declaration,* UN A/59/282, 27 August 2004.

important, including "balanced rules" and other efforts to ensure that the needs and interests of developing countries, who form the majority of WTO members, are addressed.

Likewise, a key concern for many developing countries not reflected in Goal 8 is the extent to which they themselves should be expected to open up their markets, and the importance of trade rules that allow them policy flexibility, i.e. the ability to determine the pace and extent of liberalisation. This has been hotly debated in the area of agriculture, where the interests of smallholder farmers are at stake, as they are often unable to compete with heavily subsidised Northern crops. Strengthening the sustainable livelihoods of such smallholder farmers, moreover, is regarded by the Millennium Project Report as one of the key investments needed for the achievement of the MDGs.[1] Even in the absence of such subsidies, when implementing obligations specified in the WTO Agriculture Agreement, developing countries should be allowed the flexibility to address their own needs in terms of food security, defence of rural livelihoods and poverty alleviation. Besides this general issue, particular demands on developing countries, in terms of intellectual property obligations and commitments on services, may compromise their capacity to meet other MDGs, notably on health, access to water and education.

Inadequate specification

Another problem is that Goal 8's targeted actions on trade are not very specific and there is no date by which they are to be taken. For instance, the extent to which tariffs on developing country exports should be cut is not specified, let alone by when. Similarly, there are no details for the appropriate level of support, if any, to OECD agriculture, nor the ideal proportion of aid to be devoted to building trade capacity. Of course one of the reasons for this weakness is that some of these issues are the subject of ongoing negotiations at the WTO and typically governments have chosen not to limit their trade negotiating positions by making commitments in other fora.

In addition, the use of "average tariffs" in Indicator 39 is an insufficient means of measuring developed country efforts to reduce tariffs in agriculture, textiles and clothing. While developed countries reduced overall average tariffs from about 10% in the early 1980s to the present level of 3%,[2] they have continued to impose very high tariffs ("tariff peaks") on products that are of particular export interest to developing countries. These tariffs can reach 100% or more.[3] Average tariffs also obscure the damaging effect of tariff escalation, in which the tariff on a product increases according to the level of processing that is undertaken. This constitutes a barrier to developing countries' ability to add value to their products, and restricts them to exporting primary commodities, which are subject to decreasing world prices (Fernandez de Córdoba et al 2004; Oxfam International 2002).

Nor do the indicators adequately capture the interests of the low income countries and the responsibilities of the more advanced developing countries. While it is clear that LDCs face greater difficulties in taking advantage of the international trading system than many other developing countries (as illustrated by their declining share of world trade), others may still need to be given special and differential treatment. For instance, some low income countries may need to be exempted from regular WTO obligations for a certain period during which they are given technical assistance to build their capacity to take on these obligations. Conversely, some of the more advanced countries are in a position to open up their markets to imports from other developing countries – and such changes should be encouraged by their inclusion in the scope of the MDG 8 commitments.

Others' criticisms of Goal 8

Other commentators have also suggested Goal 8 is flawed. The UN, despite being official "author" of the MDGs, has noted that its targets and indicators are "subject to further refinement". The Center for Global Development (CGD) calls it a "hodgepodge of elements" (Birdsall and Clemens 2003). The CGD has proposed a Commitment to Development Index (CDI) to assess donor commitment on a range of development issues including trade,[4] while Oxfam has put forward a Double Standards Index (Oxfam 2002). Both address market access issues similar to those contained in Goal 8, including tariffs and quotas, and domestic and export agricultural subsidies.

Donor MDG reports on trade performance

The following section considers relevant trade issues raised in seven donor country MDG reports. This includes government reports publicly available through UNDP, namely Norway (2004), Sweden (2004), the Netherlands (2004), Denmark (2003 and 2004) and the European Commission (EC 2004), as well as Ireland's recently released report (2005).[5]

Market access

All the donor reports address market access issues relevant to Goal 8, including tariffs, quotas and agricultural support. Their treatment of these issues suggests that, at least at the level of policy, donors strongly support measures to increase developing country access to their markets.

The Government of Ireland, in an MDG report short on overall detail, makes only brief comment on market access issues. It states that the WTO framework agreement provides the opportunity for developing countries to benefit from improved access to developed country markets and from reduced trade-distorting agricultural subsidies. It describes its own subsidy system, which involves payments to farmers that are 100% "de-coupled" from production, as a "radical departure" from the previous arrangement that was a "source of grievance" for many developing countries.

The Government of Sweden goes into more detail on market access issues, stating that the EU (European Union) must reform agricultural policy, and must make "substantial reductions" in tariffs, particularly in areas in which developing countries have a comparative advantage. OECD countries must increase the pace of market opening for products of special interest to poor countries, and must end export support systems and reform trade distorting subsidies. The Governments of Denmark and the Netherlands make similar statements. The Netherlands advocates "significantly reducing" trade distorting support for agriculture directly linked to production and abolishing all forms of export support worldwide. In Denmark's second report, it sets out specific actions it is taking to reduce trade-distorting domestic support of agriculture and to eliminate export subsidies.

Denmark also supports the ability of LDCs to protect their own agricultural sectors when required as part of poverty reduction strategies, and it affirms the right of developing countries to retain temporary support of agriculture as part of their development strategies. Ireland takes a similar position, stating that it welcomes the EU's offer of special and differential treatment for developing countries, including special terms for access to their markets that will take into account food security, livelihood and rural development needs.

The donor reports address market access for products that are of particular importance for developing countries, and for which tariffs are often higher. The Netherlands supports specific market access improvements for "typical developing country products" (such as rice, sugar, bananas, cotton, tobacco and some fruit and vegetables). It states that EU sugar reform should lead to an eventual end to EU sugar exports, creating opportunities for competitive developing country sugar exporters in third markets. On cotton, the Netherlands advocates "full decoupling of domestic support" so that EU subsidies would have "minimal trade distorting effects". Sweden also addresses cotton, referring to its support for the cotton initiative proposed by four West African countries in 2003, which sought an end to developed countries' trade distorting subsidies for cotton and compensation in the interim.

But for all their talk of increasing market access, EU countries are likely to remain protected for some years to come. On Oxfam International's Double Standards Index, which uses ten indicators to compare the protectionist policies of the "Quad" group of countries (the EU, US, Japan and Canada), the EU was the worst performer. As much as 15% of imports from LDCs faced tariff peaks, and agricultural subsidies accounted for 40% of farm output (Oxfam 2002). The EC MDG report refers to the EU's role in influencing the WTO framework decision, reached in July 2004, to end export subsidies by a set date. It does not mention, however, that this decision may have little impact on the pace of reductions already underway through EU internal agricultural reforms, a process which may take at least another ten years (CCIC 2004).

Market access and "Everything but arms"

Sweden, the Netherlands, Denmark and Ireland all address market access for LDCs in their discussion of the EU "Everything but arms" (EBA) initiative, which was adopted by the European Commission in 2001. It grants duty and quota free access to imports from LDCs, except arms and munitions. For fresh bananas, tice and sugar, duties are being gradually phased out, with duty-free access coming fully into place for bananas in 2006, and sugar and rice in 2009 (EC 2005).

While some LDCs have been able to take advantage of the EBA to increase their exports (Oxfam 2002), its overall impact has been limited. Ireland makes almost no comment on the scheme, but other individual MDG reports recognise its failings. Sweden acknowledges that even when developing countries have been given formal market access, their market entry levels often remain limited as a result of complex entry requirements and an "elaborate web" of non-tariff barriers. Improvements to the rules governing the EBA, including its rules of origin, are described as a "Swedish ambition". The Netherlands also favours simplification of the EBA's "complex" rules of origin. In comparison, the EC report appears oblivious to the EBA's shortcomings, and instead sings its praises. It states that "across the board preferences" provided by EBA and similar programmes should allow beneficiary countries to make greater use of preferences, because such schemes are "administratively simpler" and, in contrast to product-specific preferences, they do not distort production or trade decision-making.

Brenton (2003) also suggests the EBA has not delivered. He finds that the introduction of the EBA resulted in only relatively minor changes for products that were already exported. More than 99% of EU imports from LDCs were of products already eligible for duty- and quota-free access, while for rice, sugar and bananas duties have not yet been completely removed. Moreover only half of eligible EU imports from non-ACP LDCs actually requested preferential access. Brenton suggests that the "prime suspect" for this is "the rules of origin, both the restrictiveness of the requirements on sufficient processing and the costs and difficulties of providing the necessary documentation". The other factor that may influence low uptake of preferential schemes is supply side constraints in terms of production capabilities, which strengthens the argument for well-designed and targeted trade-related capacity building (TRCB).

Market access and Norway

The Government of Norway appears to adopt a "mix and match" approach to trade policy: it provides market access when this suits it, but also erects substantial trade barriers to protect key products. Norway states in its MDG report that it "will continue to promote improvements to the multilateral trading system and encourage greater integration of the developing countries, especially the LDCs, by means of improved market access, transitional arrangements, technical and financial support and other measures". It refers to its LDC trade policy that provides duty-free and quota-free treatment (with the exception of quotas on some agricultural products) to LDC exports, and to improvements it has implemented in its GSP (generalised system of preferences) that are designed to facilitate trade with developing countries.

Yet Norway acknowledges that protection of its domestie farmers remains a key issue and "from a coherence point of view this is still a challenge for our development policies". While many imported agricultural products are subject to either very low or no tariffs, a small number of domestic agricultural goods are not competitive internationally and so require protection by high tariffs and other forms of support. Overall domestic support in Norway remains high (although it has declined in absolute terms and as a share of GDP) as does tariff protection (although the report fails to quantify this).

Norway's high level of agricultural protection explains its unflattering performance in the trade component of the Center for Global Development's Commitment to Development Index (CDI). It appears, in any case, that Norway sees the writing on the wall regarding the future of its agricultural protection. It recognises that the Doha Declaration will lead to reductions in trade-distorting domestic support and export subsidies and that this will have consequences for Norway and Norwegian agricultural policies. In the meantime it is making efforts through its development assistance to address supply-side constraints facing farmers in developing countries, to promote ethical trade and South-South trade, and to build trade-related capacity more generally.

Trade-related capacity building

Indicator 40 of MDG 8 refers to TRCB, which has been recognised as a critical component in enabling developing countries to use trade to promote human development. In the Doha Declaration, trade ministers confirmed "that technical cooperation and capacity building are core elements of the development dimension of the multilateral trading system" (WTO 2001, para. 38). WTO/OECD data show many donors now provide large amounts of TRCB, with $2.8 billion committed in 2003 (WTO/OECD 2004). WTO/OECD also note that funding for TRCB has increased as a share of ODA – in relation to bilateral sector allocable aid it rose from 3.5% in 2002 to 4.2% in 2004. In terms of beneficiaries, the primary focus was on LDCs, which accounted for 40% of the commitments to support in the area of trade policy and regulations (TPR), though only 27% in the area of trade development (TD).

The donor reports give some attention to TRCB issues. Denmark's support aims to assist developing countries in three areas: "1) support for effective participation in international trade negotiations; 2) support for capacity building with a view to implementing trade agreements that have been entered; and 3) support for exploiting present and future market access opportunities". Its TRCB funding rose from $3.8 million in 2003 to $6.8 million in 2004. Both Norway and Ireland refer to their contributions to a number of TRCB-related efforts, including under the auspices of UNCTAD (United Nations Conference on Trade and Development), the International Trade Centre, the Integrated Framework[6] and JITAP.[7]

Overall, however, treatment of TRCB issues in the reports is limited. Other than describing funding levels, the EC report, for instance, gives it almost no coverage. In recent years, evaluations of TRCB have raised a number of questions about the usefulness of TRCB (Blouin 2004; Weston 2004). One concern in the area of TPR is that TRCB may reflecr donor views on what types of trade policy are the most propitious for growth and poverty reduction, rather than providing developing countries with the information and training with which to form their own views. Similarly TRCB may involve technical assistance addressing governments' short-term needs (e.g. implementing obligations and preparing for negotiations) instead of building national capacities to understand how to use their trade rights and obligations to reduce poverty. Another question concerns the linkages between TRCB and poverty reduction – for instance whether TD projects should target poor producers directly, or whether TRCB should adopt an enabling approach, promoting trade by larger producers with less direct impacts on poverty. The MDG reports do not attempt to address these important questions about TRCB.

TRIPs/IP/access to medicines

Following the Doha Declaration on TRIPs (Trade-related intellectual property rights) and public health in 2001, in August 2003 the WTO adopted a decision that allows the issuing of compulsory licenses on pharmaceutical products for reasons of public health, and for developing countries to import drugs produced under this licensing. WTO members are rcsponsible for incorporating the decision into national legislation.

The decision is directly relevant to MDG Target 17, "in cooperation with pharmaceutical companies, [to] provide access to affordable, essential drugs in developing countries", and is addressed by all the MDG reports. Norway points out that it was the second country (after Canada) to implement the WTO decision in national legislation, referring to new provisions on the use of compulsory licences that came into effect on 1 June 2004. The EC is finalising a draft Regulation to implement the ruling and the Netherlands is "working on national implementation of WTO decisions". While Sweden and Denmark refer to the WTO ruling, they do not mention plans for legislative changes to implement it. Developments in these and other donor countries will be closely watched, in particular in light of Canada's amendments to its drug patcnt legislation. These are seen as limited in some respects, and as not fully reflecting the scope of the WTO decision. For instance they are restricted to certain medicines whereas the decision set no such limits – and they introduced some procedural aspects which could limit their usefulness to health providers in developing countries.

Information and communications technology (ICT)

Target 18 requires countries "In cooperation with the private sector, [to] make available the benefits of technologies, especially information and communications". In so doing it recognises that access to the benefits of information and communications technologies (ICTs) is vital for development but that many developing countries have missed out on the exponential advances that have taken place in this field over the last thirty years. The donor reports give some attention to these issues. Each refers to their support for the outcomes and follow-up to the World Summit on the Information Society (WSIS). Sweden mentions the establishment of an ICT "secretariat" within the Swedish International Development Agency (SIDA) that has the role of integrating ICT within all its development cooperation programmes. Both Sweden and Norway draw attention to the important role that ICT has to play in supporting advances in health and education in developing countries, and Norway also refers to efforts in promoting public-private sector partnerships in technology transfer, specifically in communications technologies and renewable energy. Overall however, and with the exception of Norway, the MDG reports give only sketchy treatment to the issue of ICTs, and the EC report does not refer to them all.

Additional issues

Some of the donor reports address trade related issues that are not captured by Goal 8's targets and indicators. These include the following:

South-South trade and reciprocal opening

As stated above, one of Goal 8's omissions is that it does not address reciprocal market opening in developing countries, and, in particular, the potential role of more advanced developing countries in promoting South-South trade. This is a key issue: South-South trade has expanded twice as fast as world trade over the last decade but about 70% of tariffs faced by developing country exporters are in other developing countries (Davidson 2004).

The issue of South-South trade is raised, to some extent, by some of the donor reports (although not by the EC). Sweden states that reform of trade policy in developed countries is "of the essence", but also underlines the importance of reductions in trade barriers between developing countries. Denmark says South-South trade is currently "severely burdened" by high tariffs and that it is working to increase opportunities in this area. Norway refers to its development assistance efforts to promote South-South trade.

The Netherlands refers to EU expectations of reciprocal market opening in developing countries, stating that while the EU proposes developed countries should take the largest steps in increasing market access, it "expects more advanced developing couutries to improve access to their markets as well, in particular for least developed countries". For developing countries, the key issue is how this expectation will play out in practice – whether developed countries' real agenda is to gain greater access to new emerging markets; and whether concessions made by industrialised countries in other areas of trade negotiations will be accompanied by requirements that more advanced developing countries open their markets more quickly and extensively than they wish.

Policy coherence

In the past, donors' development-focussed efforts in one area (such as finance/development assistance) have often been undermined by self-interested actions in another (such as trade). For Goal 8, which draws together donor efforts in finance, trade and debt, policy coherence for development is a key issue. It is not surprising that each of the donor reports addresses this issue.

Norway, perhaps particularly sensitive because the protectionist features of its trade policy are seen to contradict its strong efforts in development assistance, refers to a number of policy coherence initiatives. These include inter-ministry dialogue on policies that could have an adverse effect on poor countries and the establishment of a network of key individuals working on policy coherence for development issues in relevant ministries. The Netherlands refers to a similar initiative, the establishment of a Policy Coherence Unit within the Ministry for Development Cooperation, that addresses "a rolling list of topical coherence issues" including agriculture reform and products of specific interest to developing countries, and the WTO-TRIPS agreement. Denmark states it has selected a strategy of a "coordinated effort for trade and development", and that it seeks to ensure its trade and development policies are "mutually reinforcing and promote sustainable global development". Sweden identifies its 2003 parliamentary bill, Shared Responsibility: Sweden's Policy for Global Development, which "forms the basis for a coherent Swedish policy for global development".

Ireland is refreshingly candid about its performance on policy coherence. It admits that there "has been limited progress in introducing a global dimension" to the work of some government departments, whose "primary interest has focused on the concerns of a more domestic nature". It refers to policy coherence initiatives it has undertaken to address this, including commissioned research, but states that there is a need to strengthen cooperation across government departments, and to ensure that "the needs of the poor are not neglected in domestic decision-making".

The donor reports: some conclusions

Preparation of reports is an important aspect of donor accountability for their efforts in contributing to the global partnership that is central to meeting the MDGs. After five years, only a limited number of reports is publicly available. This reflects poorly on developed countries as a whole and casts doubt on how seriously they view their accountability responsibilities, and their overall commitment to the MDGs.

The reports discussed above suggest that at least "on paper", donors support the notion of a more development-focused global trading system. All donors address the key trade-related aspects of Goal 8. They state they are in support of measures to bring about increased market access for developing countries, including reduced tariffs and quotas, and elimination or reduction of trade-distorting agricultural support. The reports also address developing country access to affordable medicines, the importance of TRCB and of ensuring access to ICTs. Some reports discuss additional issues, including policy coherence, and South-South trade.

There is some recognition that their efforts are insufficient or, as is the case with the EBA, that they are not working effectively. Overall, however, the reports appear unwilling to grasp the nettle and to tackle the underlying issues that hold back development-oriented trade reform. For instance, in the reports' relatively extensive discussion of market access issues, there is limited attention to the key concern that developing countries have regarding trade liberalisation: namely the extent to which trade agreements expect them to open up their markets, and the need for a global trading system that allows them policy space to determine the pace and extent of liberalisation.

Donors similarly fail to explore the issue of agricultural subsidies in any real depth. All donors openly acknowledge the negative impacts of trade-distorting subsidies on developing country exports and the need to eliminate or at least reduce them. With the exception of Norway, however, they are not prepared to discuss the political hurdles that must be overcome to realise these good intentions, such as the concerns of domestic farmers and producers. Similarly, while the reports address donor efforts in important areas such as TRCB and changes to drug patent legislation, they avoid questions that are central to whether these efforts will actually benefit developing countries, such as whether TRCB has focussed too strongly on governments' short-term needs and on larger producers and whether donors will be prepared to amend drug patent legislation in ways that reflect the full scope of the TRIPs decision.

Because of their failure to address issues in depth or to tackle underlying issues, the reports all too often have the appearance of rather bland, standard policy statements in which donors are merely listing off what they have done. Furthermore, the information on trade performance often lacks detail and when data is provided there are rarely comments on it. Particularly disappointing is the EC's and Ireland's superficial treatment of many of the key issues. Above all, the reports do not acknowledge that in many areas, much more needs to be done. For real progress to be made in reforming trade around a stronger development focus, developed countries must be willing not only to address the central challenges of their trade performance more seriously, but to also adopt a more honest, transparent method of reporting on it.

The UK: an innovative approach to Goal 8?

Although it has not prepared an MDG report, the UK appears to have adopted an innovative approach for a number of reasons. At least to some degree, it has incorporated the MDGs into policy at a cross-governmental level, through integrating them into the work of several government departments, including into the departmental performance review criteria agreed with Treasury through the Public Service Agreements (PSA). Besides the Department for International Development (DFID), several others including the Department for Trade and Industry (DTI), the Foreign and Commonwealth Office (FCO) and also the Department for Environment, Food and Rural Affairs (DEFRA) have incorporated the MDGs – and particularly MDG 8 – into their PSAs.

The overall aim of DFID's draft 2005-2008 PSA is to "eliminate poverty in poorer countries in particular through achievement by 2015 of the Millennium Development Goals" (DFID 2004a). For each MDG, DFID has decided to "fine tune" and build on the goal and target indicators set out by the UN. On trade, the 2005-08 PSA target is to "ensure that the EU secures significant reductions in EU and world trade barriers by 2008 leading to improved opportunities for developing countries and a more competitive Europe" (DFID 2004b). One of the agreed measures concerns reductions in trade-distorting support under the EU's Common Agricultural Policy, a measure which has also been adopted by DEFRA. The aim is to have eliminated export subsidies by 2010 or at least to be on an agreed track by this date to reach zero; to reduce EU production-linked domestic support by an additional 10% over and above the cuts agreed to May 2004; and to be on an agreed track by 2008 to cut the average EU tariff on a range of important agricultural imports by at least 36%.

Another UK trade-related target is for an increase in the value of EU imports from LDCs to at least $6.5 billion by 2010, i.e. an increase of roughly 50% of exports recorded in 2002. The measure is intended as a guide to the outcome of liberalisation, i.e. whether there is an increase in trade flows following the DDA. This is based on the premise that increased openness of the EU, combined with support of capacity building in LDCs, should facilitate increased EU imports from LDCs.

In general, these targets and indicators are more meaningful than those contained in MDG 8 itself, as they are accompanied by baseline measures, and are quantifiable and for the most part time-bound, thereby allowing straightforward measurement of whether progress has occurred. DFID's PSA statements on how targets are to be achieved also include reference to the role of other government departments such as the DTI, the DEFRA and the FCO, underlining the cross-government approach to policy on the MDGs. Overall, the UK's efforts in incorporating the MDGs into its Public Service Agreements, and in building on MDG targets and indicators to develop more meaningful performance measures, suggests a sophisticated approach to interpreting the MDGs and provides a possible model for other donors.

Footnotes

1 Sachs, J. et al. 2005, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals,* London: Earthscan http://www.unmillenniumproject.org/reports/fullreport.htm

2 This is an import-weighted average applied tariff rate, including preferences. See Santiago Fernandez de Córdoba, Sam Laird and David Vanzetti, "Blend it like Beckham — Trying to read the ball in the WTO negotiations on industrial tariffs", mimeo, June 2004.

3 Nearly 10% of developed country tariff lines are in excess of three times the national average, Fernandez de Córdoba et al., op.cit., 2004.

4 http://www.cgdev.org/rankingtherich/home.html

5 A consolidated report of all EU member states is due in April 2005 in preparation for the UN Millennium +5 stocktake in September 2005.

6 Under the IF, UNCTAD, the ITC, the World Bank, the WTO, UNDP and the International Monetaty Fund are working together with donors to help LDCs identify and respond to their needs for TRCB.

7 Joint Integrated Techuieal Assistance Programme to Selected Least Developed and Other African Countries

List of Abbreviations

ACP	African Caribbean and Pacific states
CCIC	Canadian Council for International Cooperation
CDI	Commitment to Development Index
CGD	Center for Global Development
DDA	Doha Development Agenda
DEFRA	Department for Environment, Food and Rural Affairs (UK)
DFID	Department for International Development (UK)
DTI	Department for Trade and Industry (UK)
EBA	Everything but arms
EC	European Commission
EU	European Union
FCO	Foreign and Commonwealth Office (UK)
GDP	Gross domestic product
GSP	Generalised system of preferences
HDR	Human Development Report (UNDP)
ICT	Information and communications technology
IF	Integrated framework
IP	Intellectual property
JITAP	Joint Integrated Technical Assistance Programme to selected Least Developed and other African countries
LDCs	Least developed countries
MDG	Millennium Development Goals
ODA	Overseas development assistance
OECD	Organisation for Economic Co-operation and Development
PSA	Public Service Agreements (UK)
SIDA	Swedish International Development Agency
TD	Trade development

TPR	Trade policy and regulations
TRCB	Trade-related capacity building
TRIPs	Trade-related intellectual property rights
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WSIS	World Summit on the Information Society
WTO	World Trade Organisation

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