

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE INSTITUTE OF DEVELOPING ECONOMIES,
JAPAN EXTERNAL TRADE ORGANIZATION, (IDE-JETRO)**

AND

**THE INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT,
INTERNATIONAL DEVELOPMENT ASSOCIATION, (WORLD
BANK)**

AND

**THE ORGANISATION FOR ECONOMIC CO-OPERATION AND
DEVELOPMENT, (OECD)**

AND

**THE RESEARCH CENTER FOR GLOBAL VALUE CHAINS,
UNIVERSITY OF INTERNATIONAL BUSINESS AND ECONOMICS,
(RCGVC)**

AND

THE WORLD TRADE ORGANIZATION, (WTO)

**CONCERNING INSTITUTIONAL CO-OPERATION ON THE
RESEARCH ABOUT ONGOING DEVELOPMENT AND
EVOLUTION OF GLOBAL VALUE CHAINS (GVCs)**

This Memorandum of Understanding (“Memorandum”) between the Institute for Developing Economies, Japan External Trade Organization (IDE-JETRO), the International Bank for Reconstruction and Development, International Development Association (World Bank), the Organisation for Economic Co-operation and Development (OECD), the Research Center for Global Value Chain Research – University of International Business and Economics (RCGVC), and the World Trade Organization (WTO) (each a “Party” and together, the “Parties”) represents a statement of intent among the parties and sets out the framework for collaboration in the achievement of common objectives as outlined below.

WHEREAS:

- A. IDE-JETRO is a government-affiliated research institute that conducts basic and comprehensive research on economics, politics, and social issues in developing countries. Through its research, IDE-JETRO contributes knowledge of developing economies and better understanding of the regions to the government and public.
- B. The World Bank is an international development institution established by Articles of Agreement adopted by its member countries. The World Bank’s overarching mission is to reduce poverty, improve living conditions, and promote sustainable and comprehensive development in its developing member countries. It has established two ambitious goals to anchor its mission: end extreme poverty within a generation and boost shared prosperity. The World Bank will achieve these goals by providing loans, concessional financing, technical assistance, and knowledge sharing services to its developing member countries and through partnerships with other organizations.
- C. The OECD is an international and inter-governmental organisation comprising the world’s main industrialized market economies whose mission is to promote policies that will improve the economic and social well-being of people around the world: ‘Better Policies for Better Lives’. The OECD does this by providing a forum for governments to share experiences and by seeking solutions to common problems.
- D. The RCGVC is a global academic think tank headquartered at the University of International Business and Economics, focusing on basic and interdisciplinary research activities on the development of Global Value Chains (GVCs) and its implication on global economies.
- E. The WTO is an international organization that deals with the global rules of trade between nations. The WTO administers agreements, negotiated and signed by its Members, which provide the legal ground-rules for international commerce. Their purpose is to help trade flow as freely as possible for the economic development and the welfare of its Members' citizens. The WTO is serviced by a Secretariat which provides expert, impartial and independent support to Member governments, including research,

analysis and statistical information related to the role and developments of trade in the global economy.

NOW THEREFORE the Parties agree as follows:

A. Objective

- (a) Consistent with their respective mandates, the Parties will collaborate in carrying out research and publication on the ongoing development and evolution of Global Value Chains and their implications for economic development. They will cooperate on the research and production of a report: “**Global Value Chains (GVCs) Development Report**” (hereinafter referred to as "the Report"), described in the Annex.
- (b) Any activities conducted under this Memorandum are subject to their inclusion in the Parties’ respective programmes of work and budgets, and subject to the availability of funds. They shall be carried out in accordance with their respective rules and practices.

B. Collaboration

- (a) Subject to the availability of funds, to further the achievement of the above objective, the Parties intend to collaborate in the following manner:
 - (i) share knowledge, ideas and lessons learned;
 - (ii) pool efforts and expertise;
 - (iii) utilize and leverage their existing resources and facilities to mutual advantage and benefit
- (b) Subject to the availability of funds, each Party may contribute to the activities undertaken pursuant to this Memorandum, in one or more of the following ways by:
 - (i) mobilizing its own staff in pursuit of the objective of this Memorandum
 - (ii) engaging and funding its own researchers and/or consultants;
 - (iii) providing facilities for joint workshops, conferences, or training seminars;
 - and
 - (iv) such other ways as the Parties may determine in separate agreements.
- (c) Should other institutions (“Other Institutions”) take part in the co-operation project described in this Memorandum and contribute to the Report, they shall agree in writing to be bound by all the provisions in this Memorandum.

C. Intellectual Property

- a. The Parties recognize the importance of protecting and respecting intellectual property rights. This Memorandum does not grant any Party the right to use any

work created outside the framework of this Memorandum, of which one Party is the author or holds the intellectual property rights.

- b. The Intellectual property rights related to the Report and the Background papers described in the Annex will be vested as described in the Annex.
- c. Without prejudice to the above, any joint publication will be subject to a separate written agreement by the Parties, complying with the Coordinating Arrangements described in Annex A.

D. General

- a. This Memorandum describes the activities and responsibilities, set out in the Annex that will be undertaken by the Parties in producing the Report. It does not constitute an agreement or commitment by any Party to enter into or provide support for any other specific activity or project. Specific arrangements for individual activities will be set forth in a document or work plans to be jointly formulated and agreed by the Parties, according to their policies and procedures, such as the one outlined in the Annex.
- b. Unless otherwise agreed in a separate written agreement consistent with their policies and procedures, each Party shall be responsible for its own costs.
- c. Any sharing of confidential information between the Parties will be subject to their respective policies and procedures relating to the disclosure of information.
- d. Nothing in this Memorandum is intended to be, or should be construed as a waiver of the privileges and immunities of the Parties or their officers and employees, which privileges and immunities are hereby specifically reserved.
- e. The Parties expect that this Memorandum and information with respect to the collaborative activities contemplated herein will be publicly disclosed by either Party, after consultation with the Parties. Such disclosure will be made in accordance with the Parties' respective disclosure policies.

E. Waiver of Liability

The Parties shall not accept any liability, responsibility or additional expense arising out of any acts or omissions of the other Parties under or in connection with this Memorandum. Each Party shall be responsible for any injury or damage arising out of its own negligent act/omission or willful misconduct. The Parties shall not be responsible or liable for consequences of natural calamities, acts of God, or other factors beyond their reasonable control.

F. Duration

- (a) This Memorandum will come into force from the execution date below and remain in force for a period of one (1) year from its date of execution. The Memorandum may be renewed for further periods defined by the mutual written agreement of the Parties and, if applicable, any other Institutions that may wish to participate in the activities set out in this Memorandum.
- (b) This Memorandum may be amended only by mutual written agreement of the Parties.
- (c) Any Party may withdraw from the Memorandum by giving six months' notice to the other Parties. Such withdrawal shall take effect as of the date specified in the terminating notice. However, the relevant provisions of this Memorandum will remain in effect to the extent necessary to permit on-going co-operation activities amongst the other Parties.

G. Dispute Settlement

- (a) In case of a dispute, controversy, or claim between the Parties arising out of or relating to this Memorandum or an agreement for any activity or project undertaken pursuant thereto, the Parties shall attempt to reach an amicable resolution in good faith. In the event that no resolution is found within sixty (60) days, the Executive Heads of the Parties shall undertake to resolve the matter through negotiation.

In witness whereof, the Parties have caused this Memorandum to be executed as of 31 March 2016.

FOR AND ON BEHALF OF:

INSTITUTE OF DEVELOPING
ECONOMIES, JAPAN EXTERNAL
TRADE ORGANIZATION



Name: Katsumi Hirano
Title: Executive Vice President
Date: 22-03-2016

FOR AND ON BEHALF OF:

INTERNATIONAL BANK FOR
RECONSTRUCTION AND
DEVELOPMENT, AND
INTERNATIONAL DEVELOPMENT
ASSOCIATION



Name: Anabel Gonzalez
Title: Senior Director, Trade and
Competitiveness Global Practice, World
Bank Group
Date:

FOR AND ON BEHALF OF:

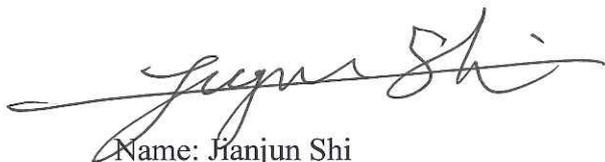
THE ORGANISATION FOR
ECONOMIC CO-OPERATION AND
DEVELOPEMT

Name: NAOIM AHMAD
Title: HEAD OF DIVISION
Organization for Economic Cooperation
and Development
Date: 19-03-2016



FOR AND ON BEHALF OF:

THE RESEARCH CENTER FOR
GLOBAL VALUE CHAINS (RCGVC)



Name: Jianjun Shi
Title: President, University of
International Business and Economics
Date: 19-03-2016

FOR AND ON BEHALF OF:

WORLD TRADE ORGANIZATION



Name: David Shark
Title: Deputy Director General, World
Trade Organization
Date: 19-03-2016

Annex: General description of the Global Value Chains (GVCs) Development Report, and special arrangements for the First Issue

General Description of the Global Value Chains (GVCs) Development Report

1. Working Title and subject of the Report

Global Value Chains (GVCs) Development Report (hereinafter referred to as the Report). Other sub-titles for each particular issue of the Report may be agreed by the Parties for the publication.

2. Report Phases

The Report is intended as a regular publication which will be comprised of two phases (research and publication) for each issue:

2.1 The first phase: undertake rigorous in-depth academic research on GVC-related issues

About 10-15 important topics will be built around a central theme for each issue which will be selected by a Coordinating Team (hereinafter referred to as the Team) designated by the Parties with consultation from academic and policy experts. Subject experts, selected by the Team, will be invited to conduct in-depth research for each of these selected topics. Background papers will be written based on independent research findings by subject experts. The invited authors will have between 12-15 months to produce a final draft for review by the Team. The invited author(s) may be staff from the Parties, or leading experts in the related field from other institutions. The papers can be academic, policy oriented, or both; each background paper will contain the results of original academic research, findings which have not been previously reported or published in any form.

2.2 The second phase: translate in-depth research into a fact-based popular report

Experts from the Parties and Other Institutions, as the case may be, will work together, led by leading subject experts appointed by all Parties in consensus, to summarize these Background papers along with their own research to draft the Report. The summary will target the public and policy makers in a reader friendly, non-technical language. Depending on the funding available and actual need of each issue, authors of each Background paper may be invited as chapter authors.

The Report will provide a detailed map of GVCs, enabling policy makers to have a better and deeper understanding of the relationship between economic development and GVC participation, thus making GVCs a tool for economic development. The joint research aims to synthesize the Parties' knowledge and expertise on GVCs studies, and to contribute to better policy making by the international community. .

3. Frequency of the Report

Based on the experiences of the first issue, the frequency of the Report will be jointly decided by the Parties based on consensus.

Specific Description of the First Issue of the Report

1. Central themes and content of the First Issue

Central themes: Making Global Value Chains (GVCs) work for economic development and shared prosperity.

Main contents include 1) Historical review of the development of global value-chains and appropriate analytical frameworks; 2) Recent trends in global trade and global value chains; 3) Accumulated trade costs and their impact on the development of GVCs; 4) GVCs and the development agenda; 5) The “Middle income trap” and upgrading along GVC; 6) Services trade liberalization and GVCs; 7) Regional trade agreements and GVCs; 8) Global imbalances, effective exchange rates, and GVCs; 9) Local investment climates, institutional quality and GVCs. All these topics will be addressed in the context of economic development.

2. Co-ordinating Team

The research and production of the Report will be managed by the Co-ordination Team that consists of five to seven members, one from each of the Parties. The Parties may agree on the participation of any Other Institutions in the collaboration of the Report.

The Co-ordination Team will agree on the background paper topics to be prepared by the Parties and Other Institutions, as the case may be, to be consistent with the outline of the Report and to avoid duplications. Background papers will be prepared and owned and used by the Parties and/or Other Institutions who authored the background papers according to their respective internal policies and procedures.

The Team of the First Issue of the Report consists of the following members:

Parties	Name	Position	Comment
WTO	Hubert Escaith	Chief Statistician	
World Bank	Jose Guilherme Reis	Practice Manager	
World Bank	Daria Taglioni	Senior Trade Economist	
RCGVC	David Dollar	Senior Research Fellow	Invited expert
IDE-JETRO	Satoshi Inomata	Chief Senior Researcher	
OECD	Nadim Ahmad	Head of Division	
RCGVC	Zhi Wang	Professor and Director	

All Parties may change the members of or add staff and consultants to the Team according to special needs of the issue of the Report.

3. Points of Contact

For the IDE-JETRO:

Satoshi Inomata
Chief Senior Researcher
Development Studies Center
3-2-2, Wakaba, Mihama-ku, Chiba-shi, Chiba, 261-8545 Japan
Tel: +81-43-299-9672
Fax: +81-43-299-9763
E-mail: satoshi_inomata@ide.go.jp

For OECD:

Nadim Ahmad
Head of Division
OECD Statistics Directorate
2 Rue Andre Pascal, Paris 75016, France
Tel : [+ 33 \(0\) 1 4525 8847](tel:+330145258847)
Fax: +33 (0) 1 4430 6140
E-mail: nadim.ahmad@oecd.org

For the World Bank:

Jose Guilherme Reis
Practice Manager Trade Global Unit
1818 H Street NW, Washington, DC 20433
Tel: +1-202-458-8835
Fax:
E-mail: jreis@worldbank.org

For RCGVC:

Zhi Wang
Professor and Director
Research Center for Global Value Chains
6th Floor, Keyan Building, University of International Business and Economics
No.10, East Huixin Street, Chaoyang District Beijing, 100029, China
Tel: +86 10 6449 4361
Fax: 86 10 6449 3860
E-mail: wangzhi@uibe.edu.cn

For the WTO:

Hubert Escaith
Chief Statistician
Economic Research and Statistics Division
Route de Lausanne 154, CH-1211 Geneva 21, Switzerland
Tel: +41 22 739 5426
Fax: +41 22 739 5763
E-mail: Hubert.Escaith@wto.org

4. Working schedule for the first issue of the Report

The first issue of the Report is to be released on March 15, 2017

May 15, 2016

Non-technical executive summary/ draft of policy briefing of each Background paper due and chapter authors assigned

September 30, 2016

Deadline for complete preliminary draft of background papers. The Team will start to work for the final draft of the report.

November 15, 2016

Draft of Chapter due from Chapter authors to the Team

November 30, 2016

First draft of the report due for circulation, institution review and comments by field experts

December 15, 2016

Deadline for final draft of the Background paper and policy briefing

January 15, 2017

Final draft of the report due to printing team designated by the WTO and the World Bank

March 15, 2017

Joint release in Washington, Paris, Geneva, Beijing and Tokyo

5. Publication Arrangements

5.1 Report Chapter production

All Parties will be responsible for the quality, cost, production and timely submission of the drafts of respectively responsible chapters of the Report as specified below:

David Dollar, Invited expert, RCGVC: Coordination among chapters and draft the executive summary;
IDE-JETRO: Chapter 1, 2 and 3;
RCGVC: Chapter 2, 8 and 9;
The World Bank: Chapter 5, 6 and 7;
WTO: Chapter 3, 4 and 5
OECD, Chapter 4, 5 and 6

(Parties will take joint responsibility for those chapters involving more than 1 Party)

5.2 Publication Design and Editing

In conjunction with the design agency selected and contracted by the World Bank, the WTO and the World Bank will propose a design for the cover and interior of the publication. The final design will be approved by the Parties and, Other Institutions as the case may be, before layout begins. The cover of the publication will incorporate the logos of the Parties and, if any, Other Institutions.

Once research has been completed and the graphics finalized, the WTO and the World Bank will undertake a final edit of the text and graphics. Any modifications will be submitted to the other Parties and Other Institutions, as the case may be, for review. The final text will be agreed by the Parties and Other Institutions, as the case may be, before production of the publication commences.

The WTO and the World Bank will undertake the layout of the publication based on the agreed design. Proofs will be checked by the Parties and Other Institutions, as the case may be. Final layouts will be approved by the Parties and Other Institutions, as the case may be.

5.3 Printing

The publication will be printed using the in-house facilities of the WTO and the World Bank.

5.3 Dissemination

The Parties and Other Institutions, as the case may be, will publish on their web sites a .PDF of the publication which may be downloaded free of charge.

6. Publication Costs

Each Party shall cover its own costs as set out in the second paragraph of provision D in the main body of the Memorandum and provision 5 in the Annex, according to its policies and procedures. Each Party shall be responsible for the cost of translation into languages other than English if that Party needs such versions of the Report. If other costs are incurred, the Parties

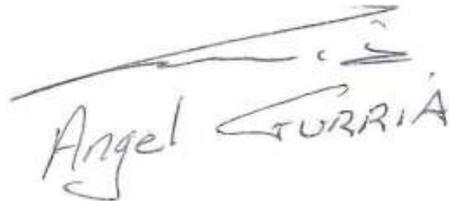
and any Other Institutions as the case may be, may agree on sharing of the costs in a separate written agreement along with their respective policies and procedures.

7. Copyright

The Parties and Other Institutions as the case may be shall retain copyright ownership of their produced Background papers and Chapters. Copyright of the Report shall be owned and administered by the World Bank, which shall make the Report publicly available under a Creative Commons License. The Parties will reserve the right to use and re-use the Report for their purposes.

I, Angel Gurría, Secretary General of the OECD, hereby authorise Nadim Ahmad, Head of Division in the OECD's Statistics Directorate, to sign the Memorandum of Understanding between the Institute for Developing Economies, Japan External Trade Organization (IDE-JETRO), the International Bank for Reconstruction and Development, International Development Association (World Bank), the Research Center for Global Value Chain Research – University of International Business and Economics (RCGVC), and the World Trade Organization (WTO) and the OECD on the production of a Global Value Chains (GVCs) Development Report.

O.K.


Angel GURRIÁ