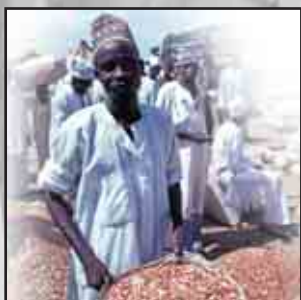


AID FOR TRADE AT A GLANCE 2007

Country & Agency Chapters



WORLD TRADE
ORGANIZATION



Aid for Trade at a Glance 2007

COUNTRY & AGENCY CHAPTERS



WORLD TRADE
ORGANIZATION



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WORLD TRADE ORGANIZATION

The World Trade Organization came into being in 1995, as the successor to the General Agreement on Tariffs and Trade (GATT), which had been established (1947) in the wake of the Second World War. The WTO's main objective is the establishment of rules for Members' trade policy which help international trade to expand with a view to raising living standards. These rules foster non-discrimination, transparency and predictability in the conduct of trade policy. The WTO is pursuing this objective by:

- Administering trade agreements,
- Acting as a forum for trade negotiations,
- Settling trade disputes,
- Reviewing national trade policies,
- Assisting developing countries in trade policy issues, through technical assistance and training programmes.
- Cooperating with other international organizations.

The WTO has 151 Members, accounting for 90% of world trade. Members are mostly governments but can also be customs territories. Nearly 30 applicants are negotiating to become Members of the WTO. Decisions in the WTO are made by the entire membership, typically by consensus.

This work is published on the responsibility of the Secretary-General of the OECD and the Director-General of the WTO.

The opinions expressed and arguments employed herein do not necessarily reflect the official views of the Organisation or of the governments of its member countries or those of Members of the World Trade Organization.

Introduction

This volume presents the donor and partner-country responses to the questionnaires sent as part of the first WTO/OECD exercise to monitor aid for trade.

Donor questionnaires were sent to a total of 73 donor agencies in June 2007, with a deadline for submission of responses of September 7th (for English-speaking donors) and September 14th (for French and Spanish-speaking donors). The responses from donors cover agencies that provide over 90% of global aid for trade.

Questionnaires for partner countries were sent later, during the second half of July 2007, with a deadline for responses of 28th September. The relatively small number of partner-country replies reflects the pilot and experimental nature of the partner-country questionnaire, as well as the limited opportunity for extensive consultation with partners, for this first round of monitoring, prior to the questionnaire's distribution.

In both cases, for donors and partner countries, the questionnaires were accompanied by a profile of their aid-for-trade drawn from the OECD's Creditor Reporting System. To ensure close adherence to the intent of the respondents the responses have not been edited.



June 2007

Dear Sir/Madam,

We are writing to ask you to undertake a self-assessment of your Aid-for-Trade activities as part of a new WTO-led monitoring process. The WTO and the OECD are collaborating closely on the tracking of relevant aid flows and the application of aid effectiveness principles. We believe that this new process will be extremely important for underpinning the contribution of aid-for-trade to the development of trade capacities, and thus sustained growth and poverty reduction.

Your contribution will be a key element in the first Annual Global Review of Aid-for-Trade, which will take place in the WTO on 20-21 November 2007. This review will be preceded by regional events in Africa, Asia and Latin America, organised in association with the relevant Regional Development Banks.

In 2006, the WTO received a mandate from its Members to monitor aid-for-trade. This monitoring will have three levels: (i) a global tracking of aid-for-trade flows, using the OECD Creditor Reporting System; (ii) donor reports, based on self-assessments; and (iii) recipient reports, also based on self-assessments. Together these three levels of monitoring will provide a comprehensive picture of aid-for-trade and enable the international community to assess what is happening, what is not, and where improvements are needed.

The value of the monitoring exercise lies in creating incentives, through enhanced transparency, scrutiny and dialogue, to provide more and better aid-for-trade. It is about sharing information, learning from successes as well as failures, and applying policies and approaches that we know to be effective – as embodied above all in the Paris Declaration on Aid Effectiveness. We encourage you to take stock of your aid-for-trade policies and practices, to assess whether they need to change, and to set out your priorities for the future.

Attached is a questionnaire which is intended to provide a common structure for donors' self-assessments. It is organised around four themes: What is your aid-for-trade strategy? How much aid-for-trade do you provide? How do you implement your strategy? And how do you strengthen mutual accountability? Recipient-country questionnaires will follow the same template.

You are encouraged to attach as much additional information and detail about your current aid-for-trade priorities, programmes and plans as you feel is necessary. In particular, we would welcome a concise account of best-case examples of your aid-for-trade. We trust that you will be able to submit your self-assessment by 7 September.

Finally, we thank you in advance for devoting time and resources to this process.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Pascal Lamy".

Pascal Lamy
Director-General
WTO

A handwritten signature in black ink, appearing to read "Angel Gurría".

Angel Gurría
Secretary-General
OECD



DONOR QUESTIONNAIRE ON AID FOR TRADE

WHAT IS YOUR AID-FOR-TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?
2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?
3. How does this strategy address regional aid-for-trade challenges?

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?¹

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?²

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference?
8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at headquarters and in-country?
10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

¹For your information, the WTO Task Force defined aid-for-trade in the following way: "Projects and programmes should be considered as aid-for-trade if these activities have been identified as trade-development priorities in the recipient country's national development strategies". The Task Force underlined that clear and agreed benchmarks are necessary for global monitoring of Aid-for-Trade efforts. To this end, it identified the following categories: [a] trade policy and regulations (incl. trade facilitation); [b] trade development; [c] trade-related infrastructure; [d] building productive capacity; [e] trade-related adjustment; and [f] other trade-related needs.

²In order to facilitate your data reporting, we have attached in the Annex a description of the Creditor Reporting System (CRS) categories, along with a profile of your data for 2002 to 2005, that proxy the WTO Task Force aid-for-trade definition (set out in the preceding footnote). The request for data for 2006 on the same basis was issued in May 2007.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?³
12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?
15. Are you increasing the amount of aid-for-trade for regional and or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?
17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?
18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfillment of your aid-for-trade policy and programme commitments?

³For example, do you have programmes to build the capacity of recipients to undertake assessments of trade development challenges and opportunities and integrate such assessments into medium-term planning and budgetary frameworks?

You are encouraged to provide summary responses to the questions in this document and to annex more detailed material.

Responses should be sent before 7 September 2007 to the following address:

WTO-OECD.Questionnaire@oecdshare.oecd.org

Please also send any queries to this mailbox.



July 2007

Dear Ambassador,

Re: Monitoring Aid-for-Trade at the Country Level

As you know in 2006, the WTO received a mandate to monitor aid-for-trade. This monitoring will have three levels: (i) a global tracking of aid-for-trade flows, based on the OECD Creditor Reporting System; (ii) donor reports, based on self-assessments; and (iii) partner-country reports, also based on self-assessments. Together, these three levels of monitoring will provide a comprehensive picture of aid-for-trade and enable the international community to assess what is happening, what is not, and where improvements are needed.

Today we are writing to ask your government to undertake a self-assessment of its aid-for-trade activities as part of a new WTO-led monitoring process. The WTO and the OECD are collaborating closely on tracking aid-for-trade flows and the application of aid effectiveness principles. We believe that this new process will be extremely important for underpinning the contribution of aid-for-trade to the development of trade capacities, and thus sustained growth and poverty reduction.

Your government's contribution will be a key element in the first Annual Global Review of Aid-for-Trade, which will take place in the WTO on 20-21 November 2007. This Review will be preceded by regional events in Africa, Asia and Latin America, organised in association with the relevant Regional Development Banks and the World Bank.

The accompanying annex on the Creditor Reporting System (CRS) database details the aid categories that will be used as a basis for the global tracking of aid-for-trade flows. In order to facilitate the debate among WTO members, a donor and a partner-country questionnaire have been developed to provide a common structure to donors' and partner countries' self-assessments. Donor agencies, regional and multilateral organisations have already been invited to undertake their self-assessment reports and to use the donor questionnaire as a template for their contribution to the WTO Annual Global Review of Aid-for-Trade.

The enclosed partner-country questionnaire attempts to reflect the recommendations of the WTO Task Force, including using the Paris Declaration on Aid Effectiveness as the guiding principle for the delivery of aid-for-trade. It follows the same template as donors' questionnaires and is organised around four themes: What is your aid-for-trade strategy? How much aid-for-trade do you receive? How do you implement your strategy? And do you participate in mutual accountability arrangements?

The questionnaire aims to elicit information to improve trade development strategies, better identify the gaps between needs and actual support, and reduce aid-for-trade transaction costs. We hope that it will be a useful tool to raise awareness at country level, facilitate the mainstreaming of trade into national development strategies, encourage a more precise tracking of aid-for-trade, and better assess impacts.

This questionnaire - as the rest of the monitoring framework - is work in progress. In this first year, the focus will be on those countries that volunteer to complete a self assessment of their aid-for-trade activities. A selection of these countries will be profiled as "case studies" in the above mentioned regional events - where they will share their approach and experience with others - and in the first Annual Global Review of Aid for Trade in November. The aim is to greatly widen the circle of participating countries in 2008. Your government is also invited to provide feedback on the

questionnaire itself, its utility and any observations relevant to its completion. This feedback will be crucial to the design of the monitoring tools for next year's review.

The value of the monitoring exercise lies in creating incentives, through enhanced transparency, scrutiny and dialogue, to provide more and better aid-for-trade. It is about sharing information, learning from successes as well as failures, and applying policies and approaches that we know to be effective – as embodied above all in the Paris Declaration on Aid Effectiveness. We encourage your government to take stock of its aid-for-trade policies and practices, to assess whether these need to change, and to set out your government's priorities for the future.

We would be grateful if your government would submit its self-assessment by 28Th September. We thank you in advance for devoting time and resources to this process.

Yours sincerely,



Pascal Lamy
Director-General
WTO



Angel Gurría
Secretary-General
OECD



PARTNER COUNTRY QUESTIONNAIRE ON AID FOR TRADE

WHAT IS YOUR AID-FOR-TRADE STRATEGY?

1. What priority is accorded to trade development in your country's economic growth/national development/poverty reduction strategy?
2. Do you have a government-wide trade development strategy and if so what are its main priorities? What time period does it cover?
3. Does your trade development strategy specify aid-for-trade needs?
4. What are the main trade development challenges and opportunities you face which require collaboration with other countries in your region? Are these addressed in your trade development strategy?

HOW MUCH AID-FOR-TRADE DO YOU RECEIVE?

5. Have you costed your trade development strategy? What percentage of your trade development financial requirements do you expect to be funded by ODA?
6. Which activities do you consider are supporting your trade development strategy? Accordingly, how much aid-for-trade have you received by category for the period 2002-2005, and in particular in 2005?¹
7. Describe any key trade development priorities that are constrained by lack of donors' funding?

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

8. Describe the internal governmental coordination process to prepare your trade development strategy.

OWNERSHIP

Refers to partner countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

9. What needs assessment tools do you use to formulate your trade development strategies (do you use diagnostic studies, e.g. such as those prepared under the Integrated Framework?)
10. How do you involve key stakeholders (including the private sector and civil society) in the identification of your trade development challenges and opportunities?

¹ Without any prejudice to your answer to this question, and to facilitate responses, we provide in the annex the information we hold on DAC donors' commitments to your country for the following aid categories: Trade Policy and Regulations, Economic Infrastructure, Productive Capacity Building.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

11. Are external partners using your policy planning and budgeting framework as a basis for their aid-for-trade support?
12. How well do aid-for-trade flows reflect your government's trade development priorities and what aid management information system do you use?

HARMONISATION

Refers to donors' actions being more harmonized, transparent and collectively effective.

13. How do you encourage external partners to coordinate their trade related analyses and programming? Where, if at all, are the main co-ordination gaps?

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

14. How do you measure the success of or your trade development and aid-for-trade strategies?
15. Do you cooperate with donors and other stakeholders in joint monitoring and evaluation of aid-for-trade programmes?

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

16. The WTO Task Force recommended establishing "A National Aid-for-Trade Committee, where necessary, to ensure trade mainstreaming in national development strategies, determine country needs, set priorities, assist in matching 'demand' and 'response', and help in evaluation."² Has such a Committee, or an equivalent body, been established in your country?
17. Describe the process and key actors (such as donors, private sector-representatives, etc.) involved in reviewing progress toward fulfillment of your aid-for-trade and trade development commitments?

² World Trade Organisation, Recommendations of the Task Force on Aid for Trade, WT/AFT/1, 27 July 2006, p.6.

Responses should be sent before 28 September 2007 to the following address:

WTO-OECD.Questionnaire@oecdshare.oecd.org

Please also send any queries to this mailbox.

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List of abbreviations

U4	U4 Anti Corruption Resource Center
ACCs	Anti-Corruption Commissions
AU	African Union
CIPPEC	Center for the Implementation of Public Policies Promoting Equity and Growth
DAC	Development Assistance Committee (OECD)
DANIDA	Danish International Development Agency
DFID	Department for International Development
DGIS	Directorate-General for International Cooperation
ECOWAS	Economic Community of West African States
EITI	Extractive Industries Transparency Initiative
EU	European Union
FATF	Financial Action Task Force
FINNIDA	Finnish International Development Agency
GEMAP	Governance and Economic Management Assistance Program
GIA	Global Integrity Alliance
GOPAC	Global Organisation of Parliamentarians Against Corruption
GOVNET	DAC Network on Governance
GTZ	German Agency for International Cooperation and Sustainable Development
HLM	DAC High Level Meeting
IFIs	International Financial Institutions
IMF	International Monetary Fund
MDGs	Millennium Development Goals
NGO	Non-governmental Organization
NORAD	Norwegian Agency for Development Cooperation
ODI	Overseas Development Institute (United Kingdom)
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PTF	Partnership for Transparency Fund
Sida	Swedish International Development Agency
SLM	DAC Senior Level Meeting
SMEs	Small and Medium Enterprises
UN	United Nations
UNCAC	United Nations Convention against Corruption
USAID	United States Agency for International Development
WEF	World Ethics Forum

Australia

What is your Aid-for-Trade Strategy?

1. Do you have an Aid-for-Trade Strategy and what are the key elements in the Strategy?

The Australian Government believes that developing country participation in global trade liberalisation is the most effective way of delivering developing countries a better deal in world trade, encouraging development and eradicating poverty. We have pushed, and will continue to push, for reductions to trade barriers and the creation of new commercial opportunities across all areas in the world trade negotiations. For over 25 years, Australia has provided preferential market access for the world's poorest countries. Since 2003, we have granted duty and quota free access for all products from LDCs, including East Timor. Australia is a world leader in this regard. We are also a longstanding provider of assistance to enable developing countries to take advantage of global trading opportunities.

Australian strategies to support Aid-for-Trade are guided by the Australian Government's White Paper, *Australian Aid: Promoting Growth and Stability*, which is the key framework policy document for the Australian aid program. Launched in 2006, the White Paper outlines strategies to enable Australia's aid program to generate shared and sustainable economic growth in the Asia-Pacific region over the next ten years, and gives direction to how the Australian Government will approach the doubling of Australia's aid budget to around A\$4 billion annually by 2010.

The White Paper places the objective of accelerating economic growth first and foremost in the Australian aid program, as the single most important objective for the Asia-Pacific region over the next decade. It directs the aid program to work to improve the policy environment for private sector growth; promote trade through assistance for trade policy, trade analysis and trade facilitation; support the drivers of growth through investing in infrastructure, building skilled workforces and strengthening support for private-sector-led rural and business development; and address environmental challenges to growth.

With respect to facilitating the participation of developing countries in multilateral trade liberalisation processes, the White Paper directs the aid program to increase support to its regional partners in three key areas:

- *Beyond the border*, by providing trade policy and analysis training;
- *At the border*, by enhancing trade facilitation through improving the efficiency of areas such as customs and quarantine services while also maintaining the integrity of national borders; and
- *Behind the border*, by focusing on policies that promote growth and overcome bottlenecks to trade, such as inadequate infrastructure.

This strategic direction for Australia's Aid for Trade initiatives over the next decade is integrated at all levels of the aid program: at the policy level into sectoral and thematic policies and at the program level into global, regional and country programs.

2. How has this Strategy evolved since the December 2005 WTO Ministerial Conference?

As described above, the release of the White Paper in 2006 has brought increased prominence and strategic direction to Australian Aid-for-Trade initiatives, while building on Australia's longstanding track record in assisting regional partners to participate in and benefit from the multilateral trading system.

The commencement of new White Paper initiatives has resulted in a significant up-scaling of Australia Aid-for-Trade commitments, from approximately A\$154 million in 2006-07 to around A\$325 million per year over the next three years.

A key component of Australia's increased focus on Aid-for-Trade has been the announcement in May 2007 of a major new Infrastructure for Growth Initiative. Under this Initiative, the Australian Government has committed A\$505 million to help developing countries in Asia and the Pacific address their pressing infrastructure needs. Through the Initiative, Australia will help countries in Asia and the Pacific improve their infrastructure policies and finance high priority infrastructure projects that will have strong economic and social benefits.

3. How does this Strategy address regional Aid-for-Trade challenges?

AusAID's support for Aid-for-Trade focuses on Asia and the Pacific and responds to the specific needs and priorities of developing country partners in that region.

The most significant issue facing Asia is sustaining the impressive rates of economic growth achieved by the region over the last decade. To do this, Asian countries will need to overcome infrastructure constraints, advance microeconomic reform, strengthen their market orientation, build their human capital, and continue to pursue closer regional economic integration. In Asia, we work at regional, sub-regional, national and sub-national levels to support Aid-for-Trade. For example,

- The ASEAN Australia Development Cooperation Program is an example of how Australia works regionally on Aid-for-Trade. This A\$50 million, six-year program (2002-2008) has promoted economic integration among ASEAN countries through a range of mechanisms: medium term projects promoting ASEAN's economic integration and competitiveness; collaborative activities between ASEAN and Australian institutions that contribute to deeper economic integration; and targeted economic policy research focusing on ASEAN economic integration issues of particularly high priority.
- The Trade Analysis and Reform Project (A\$5.6 million, 2002-08) provides specific trade-related technical assistance to help Cambodia, Laos, Vietnam and Thailand participate in global trade liberalisation and regional economic integration.

The major issue facing countries in the Pacific is lack of economic integration. Addressing this problem will require robust policies to promote trade and more extensive infrastructure. In the Pacific, Australia supports trade facilitation bilaterally and through the regional Pacific Agreement on Closer Economic Relations. For example,

- Australia is providing A\$2.65 million through the Regional Trade Facilitation Program to help Pacific island countries undertake trade facilitation and capacity-building activities in three key

areas (customs, quarantine, and standards and conformance) and to host in-country workshops to facilitate dialogue on trade facilitation and aid for trade between governments, the private sector and civil society.

- Australia provides annual support of A\$1.25 million to the Pacific Islands Trade and Investment Commission in Sydney, which promotes Pacific exports and tourism in Australia and assists Pacific business to enter the Australian market. We support the development of foreign investment in the Pacific through funding for the Pacific Investment Commissioner, whose role at the Australian Trade Commission, Australia's trade and investment promotion agency, is to promote Australian investment in the Pacific islands, with the aim of increasing technology transfer and business activity in the Pacific.

Other Australian Government agencies also provide Aid-for-Trade in the Pacific. For example, Australian Customs is undertaking major institutional strengthening programs in both Papua New Guinea and the Solomon Islands to help their respective Customs manage their borders, facilitate trade and collect government revenues. The programs also aim to improve cargo management and cut customs clearance from days to hours.

How much Aid-for-Trade do you provide?

SCOPE

- 4. How do you define Aid-for-Trade (i.e. which types of program and project do you consider trade related)?**

Australia defines Aid-for-Trade along similar lines to the WTO. It is defined as those activities, or components of a larger program, that address one or more of the following areas:

- Trade policy and regulations;
- Trade development;
- Trade-related infrastructure;
- Building productive capacity;
- Trade-related adjustment; and
- Other trade-related needs.

METHODOLOGY

- 5. How do you allocate the Aid-for-Trade share in individual projects and programs?**

Australia considers a program or project to be Aid-for-Trade related if it falls under the definition provided in the answer to Question Four.

COMMITMENTS

- 6. According to your Aid-for-Trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?**

Category	2002	2003	2004	2005
Trade Policy and Regulations	3 893	13 769	11 808	12 382
Trade Development	12 646	3 215	1 211	0
Trade-related infrastructure	9 445	30 891	135 630	13 465
Building productive capacity	93 699	102 382	32 011	111 135
Trade-related Adjustment	18 816	22 897	0	5 697
Other trade-related needs	0	0	0	0
TOTAL	138 499	173 154	180 660	142 679

Source: OECD Creditor Reporting System and the joint WTO/OECD Trade Capacity Building Database

PLEDGES

7. Describe any Aid-for-Trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

At the December 2005 WTO Ministerial Conference, the Hon Mark Vaile MP, then Minister for Trade, announced an Australian contribution of A\$4 million to Aid-for-Trade.

Since the Ministerial Conference, significant Australian announcements for Aid-for-Trade activities have included:

- The announcement in May 2007 of a commitment of A\$505 million to the Infrastructure for Growth Initiative.
- A\$328 million for the Eastern Indonesia National Roads Improvement Project, which commenced in March 2006. This four-year program aims to develop a strong national road network in Eastern Indonesia in order to ensure adequate access to regional centres, national level public services, markets, and terminals.

8. What is your medium-term (beyond 3 years) financial plan for Aid-for-Trade?

Category	2006-07	2007-08	2008-09	2009-10	2010-11
Trade Policy and Regulations	4,811	6,124	4,834	4,000	3,500
Trade Development	33,845	35,203	26,521	20,202	17,474
Trade-related infrastructure	92,083	231,851	257,101	277,394	216,107
Building productive capacity	23,361	59,092	54,635	49,724	42,021
Trade-related Adjustment	515	947	817	3,070	0
Other trade-related needs	0	0	0	0	0
Total	154,615	333,217	343,908	354,390	279,102

Notes: Amounts are expressed in A\$ Thousands, and in line with Australian financial years (July to June).

How do you implement your Aid-for-Trade Strategy?

MAINSTREAMING

9. How do you ensure that Aid-for-Trade is effectively integrated in your overall development strategy and programming both at headquarters and in-country?

As described above, Australia's Aid-for-Trade work takes place within the context of the White Paper, *Australian Aid: Promoting Growth and Stability*. All regional and country program strategies under the Australian aid program are aligned to the priorities of the White Paper.

10. Have you recently strengthened your in-house Aid-for-Trade expertise and how is this expertise deployed to link policies with operations?

Australia has strengthened its Aid-for-Trade expertise by establishing a specialist Economics Thematic Group in AusAID to develop aid activities; improve the performance of the aid program by providing relevant and up-to-date technical advice to program areas; and monitor and analyse sectoral trends, challenges and issues related to their area of expertise. This is complemented by specific Asia and Pacific sections at AusAID headquarters in Canberra with a dedicated trade and economic growth focus, combined with the deployment of trade and economics experts at key posts in the Asia-Pacific region.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

The Australian aid program's country and regional strategies provide the overall program-level policy and implementation framework for Australian aid to any given country or region. They translate the White Paper's guiding themes and strategies into programs tailored to individual country circumstances and priorities. Because of the priority accorded in the White Paper to accelerating economic growth in Asia and the Pacific, comprehensive consideration is given to trade issues in the Australian aid program's country and regional strategies.

These strategies are strongly driven by recipient countries or regions themselves. In all cases, strategies are developed and agreed jointly with partner governments through a rigorous appraisal process. This provides the opportunity for Australia to engage partner governments and other key stakeholders and reform constituencies on the importance of integrating strong trade development strategies into national development strategies. During the course of program implementation, this is backed up by ongoing advocacy work at key points in the policy cycle. Australia has also provided specialist expertise to assist national governments in the reform process.

- In Lao PDR, for example, Australia is providing A\$1.5 million over two years to the Integrated Framework for Trade-Related Technical Assistance and has served as the Integrated Framework 'Facilitator' for Laos since 2004. This helps support Lao PDR, as one of the few remaining Least Developed Countries (LDCs) in Asia, through trade policy capacity-building and assistance to integrate trade issues into overall national development and poverty reduction strategies. As part of this initiative, Australia has included the contracting of a professional IF Facilitation Specialist for a two-year period (with funding of up to A\$600,000), and targeted financial support (up to A\$900,000) for related priority activities which emerge from the Diagnostic Trade Integration Study Action Matrix. The IF Facilitation Specialist commenced work in Laos in January 2007 and is working within the Ministry of Industry and Commerce.
- In Vietnam, Australia's Beyond WTO program (A\$1.3m, 2006-07) has assisted the Government of Vietnam to prepare an Action Plan for post WTO implementation commitments.

12. How do you encourage and support policy dialogues on Aid-for-Trade among key stakeholders in partner countries?

Australia is recognised internationally for its strong track record on policy coherence for development, particularly on issues such as trade. In addition to a strong focus on in-country policy dialogues as part of the country strategy development process described above, Australia encourages and supports policy dialogues on Aid-for-Trade through a range of different country level mechanisms:

- Under the China-Australia Governance Program (A\$20m, 2004-10), for example, Australia is providing support for better informed and enhanced policy reform processes, including through workshops and policy exchanges to strengthen China's productivity and competitiveness through the removal of institutional barriers to trade.
- Through the Public Sector Linkages Program in Asia and the Pacific Governance Support Program in the Pacific, Australia has supported trade related policy dialogues in a range of countries.

Given the strong potential for regional cooperative groupings to provide powerful demonstration effects and shared learning opportunities, Australia also works through regional organisations to build support for trade and development issues.

- In Asia, for example, Australia plays a leading role in the Asia Pacific Economic Cooperation (APEC) and East Asia Summit (EAS) groupings to advance cooperative strategies to promote regional trade, economic and financial integration. This is backed up with support through the aid program at the regional, national and sub-national levels to boost developing country awareness of, and capacity for, trade development related activities. Through APEC, Australia has supported advocacy and information sharing activities through its \$7.5 million in contributions to the APEC Support Fund, a flexible funding mechanism to assist developing APEC members with priority trade and economic integration needs. In 2007, Australia announced an additional \$10 million contribution to the establishment of an APEC Policy Support Unit to promote shared learning on key regional economic integration issues facing developing East Asia.
- The annual Pacific Islands Forum Trade Ministers Meeting is the primary venue for inter-government dialogue in the Pacific region on trade agreements and Aid-for-Trade. The meeting focuses on trade liberalisation, regional economic integration and domestic policies to facilitate trade and economic growth. The meeting also has an oversight and decision-making role, setting the agenda for the Regional Trade Facilitation Program, which supports the formation of National Trade Facilitation Committees in Pacific island countries. These committees are intended to coordinate and harmonise national trade facilitation policy and programs.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your Aid-for-Trade programs?

Australia recognises that aid programs that are owned and driven by partner countries are likely to be sustainable. Our experience demonstrates that aid programs that are aligned with partner government priorities, championed by local people, involve beneficiaries in design and implementation, and are aligned with partner government budgets and systems are more likely to be sustainable and effective than those that are not.

A fundamental tenet of Australia's aid program, therefore, is that assistance is jointly agreed and implemented with Australia's developing country partners. We actively work towards the principles of the Paris Declaration on Aid Effectiveness and look for opportunities to use partner country budget processes and procurement and financial management systems in aid delivery. While we recognise that this approach will not always be possible, activities are, in all cases, designed and implemented collaboratively with partner governments and other key stakeholders.

- In Vietnam, Australia has played a lead role with the Government of Vietnam and DFID in the design of the 'Beyond WTO' program (BWTO). A key output of Phase 1 is the development of a comprehensive, 5-year WTO Implementation Plan, behind which all government and donor programs in support of international economic integration are expected to align. BWTO is being implemented by Government of Vietnam line ministries and agencies at the national and provincial level, coordinated through the Office of Government, and assisted by international and national technical assistance. Several other donors are expected to contribute to the Multi-Donor Trust Fund established under the Program in Phase 2.
- Australia is in the process of designing a major new program to assist ASEAN with its regional economic integration agenda. In line with principles of aid effectiveness, the program is being designed to maximise alignment of delivery mechanisms with established and emerging regional institutional and management structures and systems, rather than building 'parallel' systems. This will require increasingly using ASEAN Secretariat systems for managing, monitoring and accounting for the use of dialogue partner funds.

HARMONISATION

Refers to donor, actions being more harmonised, transparent and collectively effective.

14. Do you coordinate Aid-for-Trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Australia is fully committed to the principle of donor coordination as described in the Paris Declaration on Aid Effectiveness. Increasingly, we work with other donors in all Aid-for-Trade areas.

Australia contributes to a number of multilateral initiatives to coordinate Aid-for-Trade:

- Australia's annual contributions to the WTO Global Trust Fund (over A\$2.9 million since 2002) are earmarked to support trade related technical assistance in the Asia-Pacific region.
- From 2004-2007, Australia contributed \$3.3 million to the IFC-managed Foreign Investment Advisory Service (FIAS) to provide advice to developing country governments in the Asia-Pacific region on attracting and retaining foreign direct investment (FDI) and maximising the impact on poverty reduction. In the Pacific region, FIAS has acted as a resource for regional meetings about investment policy, including the Pacific Islands Forum Economic Ministers' Meeting.

At the regional and sub-regional levels, Australia coordinates Aid-for-Trade analyses and programming with other donors through close links with regional organisations.

- The Pacific Regional Trade Facilitation Program is an example of Australia's commitment to donor harmonisation, with Australia and New Zealand both providing funding and cooperating on program oversight while the regional Pacific Island Forum Secretariat coordinates activity in recipient countries. Australia contributes to a number of similar multi-donor facilities to improve

the capacity of Pacific island countries to engage in trade, such as the International Finance Corporation's Private Enterprise Partnerships Pacific.

- In the Mekong sub-region, Australia is working closely with the World Bank and ADB through the Infrastructure for Growth Initiative to improve:
 - Market access for poor farmers by upgrading connections to transport corridors;
 - Border crossing procedures to promote intra-regional trade; and
 - Management and sharing of Mekong River water resources between the four Mekong countries through a partnership with the Mekong River Commission.

15. Are you increasing the amount of Aid-for-Trade for regional and/or multilateral programs? (If you are a regional or multilateral agency, are you managing an increasing amount of Aid-for-Trade?)

Yes. Of particular importance is Australia's commitment to contribute A\$505 million between 2007 and 2011 to the Infrastructure for Growth Initiative, which is designed to help countries in Asia and the Pacific improve infrastructure policies and finance high-priority infrastructure projects through the multilateral development banks, and in some cases, bilaterally for projects that have strong economic and social benefits and where national government, private and development bank finance is not available.

Australia is also in the process of designing and implementing new regional programs to contribute to Aid-for-Trade objectives:

- For example, Australia is currently designing a new, seven year ASEAN-Australian Development Program which will focus on strengthening ASEAN's institutional capacity to support regional economic integration; provide timely and high quality economic policy advice on inter and intra regional economic integration issues; and support implementation of selected high priority ASEAN Economic Community Blueprint activities.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your Aid-for-Trade Strategy and programs? How do you measure success?

Australia's Aid-for-Trade objectives over the next decade are outlined in Question 1. These overarching objectives are complemented by five-year country program strategies that are annually reviewed; are tailored to individual country circumstances and priorities; and are subject to performance frameworks that outline how the performance of Australian aid to any given country is judged and what performance information is required by managers to assess progress. The annual review process for country program strategies ensures that they remain consistent with the directions of the White Paper and the priorities of partner governments, and allows country program areas to test, on an ongoing basis, the validity of the assumptions on which they were based.

The process for measuring success against Aid-for-Trade objectives differs for each country program area, as each country program strategy has different objectives. Broadly, success is measured in relation to the following three key principles:

- The expected results of relevant Australian program initiatives and those of partners;

- The policy context including any significant institutional changes deemed necessary and the intended level of engagement in policy dialogue;
- Essential progress against key cross-cutting constraints, such as gender inequality or corruption.

17. What evaluation methodologies do you apply to your Aid-for-Trade projects and programs?

Aid effectiveness is a key area of interest for Australia. The recent creation of the Office of Development Effectiveness (ODE) within AusAID underlines the continued importance that Australia places on achieving results and providing high quality aid. ODE is fostering a results-based management culture to enhance our ability to assess and improve aid effectiveness.

At the strategic level, the major evaluation methodologies of the Australian aid program are as follows:

- Annual Review of Development Effectiveness, which reports to Parliament and the public on the effectiveness of Australia's aid program. Information for this review is drawn from Annual Program Performance Updates, independent evaluations, quality process reviews, and the experiences of all Australian agencies delivering ODA;
- Annual Program Performance Updates, which describe the performance of the program over the year, using information and approaches defined in the Country Strategy;
- State of the Sector Reports, which summarise the main performance issues for each sector. Information for these reports is drawn from country strategy performance frameworks but report addresses cross-country issues;

At the activity level, the major evaluation methodologies employed by the Australian aid program are as follows:

- Evaluation reports, including Project Completion Reports, Independent Completion Reports, Mid-Term Reviews, program-commissioned evaluations and ODE-managed major evaluations; and
- Quality at Implementation reports, which assess each aid activity according to a set of common quality criteria. In conjunction with this, spot checks are carried out on Quality at Implementation reports and ratings of ongoing activities to verify that systems are being used correctly, that programs are being implemented effectively and that ratings are realistic.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of Aid-for-Trade projects and programs?

Australia's aid program has a strong culture of activity monitoring and engaging with key stakeholders. Working creatively with partners and leveraging their strengths and expertise is important, and we have begun to move towards more programmatic approaches that require greater partner government responsibility in decision making and, in some cases, funding.

Partner governments are increasingly assuming a greater share of responsibility for all stages of development assistance, from priority setting and planning to delivery and implementation, and monitoring and evaluation. Where possible, partner governments will be in the driving seat with Australia assisting in a review and dialogue role rather than a direct implementation role. Moreover, Australia uses partner government data, works through their systems, and builds its counterparts' capacity to manage and undertake monitoring and evaluation activities.

In line with the Paris Declaration, Australia also engages in joint monitoring and evaluation missions with other donors, and wherever they are the lead agency, we use their data and work through their systems, taking them to be the project standard.

- In the Pacific, Australia works with partner organisations and other donors to implement and improve monitoring, evaluation and reporting arrangements for Aid-for-Trade programs including the Pacific Islands Trade and Investment Commission and the Regional Trade Facilitation Program.
- To ensure the effective use of Australia's contribution to the APEC Support Fund, which supports capacity building for developing APEC economies, AusAID and the APEC Secretariat funded the development of an Assessment, Monitoring and Evaluation (AME) Framework in 2006. The AME Framework has since been adopted for all three APEC funds: the Operational Account, the Trade and Investment Facilitation Special Account and the APEC Support Fund. The framework is utilised by the APEC Working Groups at three stages of the project cycle – the assessment of project proposals, the monitoring of projects in implementation, and evaluation of completed projects.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your Aid-for-Trade policy and program commitments?

Given that partner governments are increasingly assuming a greater share of responsibility for all stages of development assistance, the Australian Government regularly reviews progress towards the fulfilment of its Aid-for-Trade policy and activities with key stakeholders. In addition, Australia participates actively in OECD DAC peer reviews of policies and programs.

- In the Pacific, the Forum Trade Ministers Meeting and officials-level meetings in the Pacific region provide an opportunity for mutual feedback on aid for trade commitments and program performance between Australia, New Zealand, Pacific island countries and regional organisations.
- Similarly, APEC working groups provide regular opportunities each year for the 21 member economies to exchange information and feedback on relevant policies and programs.

AUSTRIA

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

The “Three-Year Programme on Austrian Development Policy” is the central planning document of the Austrian Development Cooperation (ADC). In its yearly updates it defines geographical and thematic priorities for the next period. In its edition 2007-2009 for the first time one chapter will be devoted to “Aid for Trade” announcing that Austria will take a small share in EU commitments with regard to *trade related assistance*.

From the Austrian point of view the successful integration of partner countries into the world economy needs besides an open trade policy both, the development and strengthening of productive and trade related capacities and an adequate infrastructure. For future interventions the following elements have been identified:

- **Strengthening of trade capacity:** Improvement of import/export procedure, of sanitary and phytosanitary standards, necessary tax reform etc.
- **Regional approach:** Supporting regional organisations and institutions of regional integration with the implementation of Economic Partnership Agreements (EPA).
- **Development of capacity to negotiate:** Organisations in partner countries/regions which are relevant for private sector strengthening will be supported by creating capacities to negotiate within WTO.
- **Support of productive capacity** by improving the *business environment* for private investment and business start ups. In addition, better access – especially for SME –to financial services and business development services. Bearing in mind that more and more international trade relations are embedded into transnational value chains, in the future the Austrian Development Cooperation (ADC) will more focus on the development and integration respectively into transnational value chains.
- **Trade related infrastructure:** ADC intends to increase its engagement in multilateral infrastructure programmes. For instance, ADC already contributes to the *EIB- Infrastructure Trustfund* being part of the *EU-Africa Infrastructure Partnership* which is quite relevant for trade due to its focus on regional and transcontinental interconnectivity.
- **Fair trade to strengthen local economic cycles:** ADC supports fair trade initiatives.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

As pointed out, the strategic announcement in the “Three Year Programme 2007-2009” is the first of this kind. In general, the “support of productive capacity” is a more traditional approach, whereas the direct “strengthening of trade capacity” and the “regional approach” are intended to get more importance in the future.

3. How does this strategy address regional aid-for-trade challenges?

The “Three Year Programme” formulates explicitly the aim of supporting regional organisations and institutions of regional integration with the implementation of EPA.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

ADC follows a holistic approach; the ADC definition is in conformity with the strategic elements for future interventions listed under Question 1. Usually, the most relevant fields of activity are:

- Strengthening business environment and investment climate in partner countries
- Capacity building and improving access of MSMEs to business development services
- Supporting private sector development in partner countries via so called “business partnerships” – fostering cooperation between European and partner country companies
- Contributions to trade related infrastructure initiatives

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

No specific methodology in practice.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

No doubt, in all years the category “Support of productive capacity” has been the most relevant one.

Following the Austrian reports to the TCBD database, in 2005 €7,8 Mio. were devoted to the category “support of productive capacity”, whereas € 20.000,- for “capacity to negotiate”.

In 2006, €3,3 Mio. were devoted to “support of productive capacity”, €22.000,- for “capacity to negotiate” and €1,5 for trade related infrastructure via a contribution to the “Private Infrastructure Development Group (PIDG)”.

In addition, over the last years the Austrian Ministry for Economic Affairs and Labour contributed an annual amount of €200.000,- to the WTO - *Global Trust Fund* aiming at the improvement of the negotiation capacity of partner countries.

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

No pledges since then.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

ADC undertakes a lot of effort to scale up its bilateral TA component within Austrian ODA. Under the condition that ADC will get supplementary funds as from 2009, in the medium term a tripling of commitments will be envisaged.

Future interventions will also include the category “*Strengthening of trade capacity*” and “*Supporting regional organisations with the implementation of Economic Partnership Agreements (EPA)*”

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

The topic AfT is now embedded into the central planning document of the Austrian Development Cooperation, the so called “*Three-Year Programme on Austrian Development Policy*”. AfT interventions will be implemented via well proven channels of multi annual country programmes, bilateral regional programmes and co-funding of multilateral programmes. Two examples shall illustrate ADC engagement in co-funding of multilateral activities:

- Contribution to UNIDO, dedicated to quality control, capacity building and implementation of trade related international or regional standards
- Envisaged contribution by the Ministry of Finance to the World Bank initiative on capacity building for regional integration and trade policy concerning agricultural goods. The initiative focuses first on building/strengthening research capacity to analyse interregional agricultural trade flows, to analyse the impact of existing arrangements, etc. Second, direct strengthening of trade negotiation capacities and third publication and dissemination of results.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Not yet.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

- 11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?**
- 12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?**

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

- 13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?**

In the first instance AfT interventions will be implemented via two channels: co-funding of multilateral programmes/initiatives and in cooperation with regional organisations, for instance in Africa. So ADC interventions will be indirectly aligned with partner countries.

HARMONISATION

Refers to donor, actions being more harmonised, transparent and collectively effective.

- 14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?**

ADC focus is on regional and multilateral level, not so much on country level

- 15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)**

Yes definitely, ADC intends to increase its amount for regional and/or multilateral programmes– see question 9 and 13.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

- 16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?**

Enforced engagement in Aid for Trade will be based on the condition that ADC will – as part of the international scaling up process - dispose of additional ODA funds in 2009. So, enforced engagement can start from 2009.

- 17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?**

Standard evaluation procedure to AfT projects being part of multi annual country programmes will be applied. Contributions to AfT programmes of multilateral organisations will be evaluated by the respective organisation.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Not yet.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Not yet.

BELGIUM

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

La stratégie de la Belgique s'inscrit dans les engagements souscrits par l'Union européenne en matière d'aide pour le commerce. En décembre 2005, l'UE s'est engagée à accroître le volume de son aide au commerce, avec pour objectif collectif d'atteindre le montant annuel de 2 milliards € d'ici 2010. La Belgique poursuit activement cet objectif, conformément aux conclusions adoptées par le Conseil de l'UE en octobre 2006 sur l'aide au commerce. Dans ce cadre, elle participe à l'élaboration en cours de la Stratégie Conjointe de l'UE pour l'aide au commerce, qui offrira un cadre stratégique dynamique à l'action de l'UE en ce qui concerne le volume et l'efficacité de l'aide au commerce, le monitoring et le soutien aux pays ACP.

L'intégration de la dimension « commerce » dans la programmation de la coopération au développement bilatérale et multilatérale constitue une priorité pour la Belgique. La Belgique suit de près l'évolution du Cadre Intégré pour les PMA et sa transformation en Cadre Intégré Amélioré ; elle a fait part de son intention d'y contribuer financièrement à nouveau, à partir de 2008. Le développement d'une approche régionale de l'aide au commerce est un autre domaine d'attention soutenue, conformément aux recommandations de la « task force » de l'OMC sur l'aide au commerce.

Les principes de la Déclaration de Paris sur l'efficacité de l'aide servent de guidelines pour la stratégie en matière d'aide au commerce. La Belgique tient à mettre en œuvre ces principes, en partenariat avec les pays partenaires.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

La Belgique consacre déjà une part importante de son assistance au développement à l'aide au commerce (49 millions € en 2005).

Tenant compte des engagements pris par l'Union européenne en décembre 2005, la Direction Générale de la Coopération au Développement (DGCD) a suivi de près les travaux menés dans le cadre de l'initiative « Aid for Trade » et au sein de l'Union européenne. Elle a participé activement à l'élaboration des positions de la Belgique dans les diverses enceintes où la problématique de l'aide pour le commerce a été abordée depuis 2005 (OMC, OCDE, UE, Banque mondiale, CNUCED notamment). Elle a veillé à intégrer l'aide au commerce dans les discussions relatives à la programmation.

3. How does this strategy address regional aid-for-trade challenges?

La Belgique finance l'initiative africaine de renforcement des capacités en matière commerciale du PNUD (2 millions € de 2004 à 2007). Un des axes principaux du programme est le renforcement de

l'intégration régionale, par le soutien aux négociateurs commerciaux dans le cadre des Accords de Partenariat Economique (APE) entre l'UE et les pays ACP.

Conformément aux recommandations de la « task force » de l'OMC et aux engagements de l'UE, la dimension régionale de l'aide pour le commerce est appelée à se développer dans l'avenir. La Belgique étudie les possibilités en la matière.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

La Belgique utilise les catégories traditionnelles de la banque de données « Doha » de l'OCDE et de l'OMC pour définir la portée de l'aide pour le commerce, à savoir : politique et réglementation commerciales, et développement du commerce.

La Belgique est favorable à une adéquation entre les bases statistiques et la portée de l'aide au commerce proposée par la « task force » de l'OMC. C'est dans cet esprit qu'elle suit les discussions en cours au sein de l'OCDE sur ce point.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Une intervention est comptabilisée dans son entièreté comme étant ou non de l'aide pour le commerce. Un calcul de la part précise d'aide pour le commerce au sein d'une intervention n'est pas applicable.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

Réponse détaillée suivra.

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

La Belgique a fait part de son intention de contribuer au Cadre Intégré Amélioré à partir de 2008. Aucun montant précis ne peut être indiqué à ce jour, le processus de programmation étant encore en cours.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Programmation en cours.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. *How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?*

En février 2007, le Ministre de la Coopération au Développement a donné à son administration (la Direction Générale de la Coopération au Développement – DGCD) des directives en vue de renforcer l'intégration de l'aide pour le commerce dans la stratégie et la programmation de la coopération belge au développement. Ces directives portent sur les points suivants :

- Accorder priorité à l'élaboration avec le CAD/OCDE et l'OMC d'une base statistique répondant à la définition de l'aide au commerce retenue dans les recommandations de la « task force » de l'OMC.
- Assistance bilatérale : prendre en considération la dimension « aide au commerce » dans les programmes et projets, et faire des propositions concrètes en la matière dans le cadre de nouvelles programmations proposées en perspective de commissions mixtes.
- Approche régionale : encourager une réflexion approfondie sur les mécanismes de « pool funding » et de cofinancement.
- Assistance indirecte : évaluer l'élément « aide au commerce » dans les financements octroyés à des ONG.
- Assistance multilatérale : proposer des projets d'assistance dans le cadre de la programmation 2008-2011, avec une attention particulière pour une contribution au « Enhanced Integrated Framework » (EIF) qui sera mis en place en 2007.

La programmation de la coopération est établie par l'administration centrale, en étroite consultation avec les partenaires, et avec la participation active des attachés de la coopération au développement sur le terrain.

10. *Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?*

En 2005, un poste de travail spécifiquement dédié aux dossiers « commerce et développement » a été créé au sein de la DGCD. Ce point de contact pour l'aide au commerce travaille en liaison étroite avec le service responsable de la politique commerciale (SPF Affaires étrangères) et avec tous les services de la DGCD concernés par la programmation et la mise en œuvre de l'aide au commerce.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. *What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?*

La programmation de la coopération au développement se fait en étroite concertation avec les autorités des pays partenaires. La Belgique veille à mettre en œuvre les principes de la Déclaration de Paris sur l'efficacité de l'aide, et l'appropriation des programmes et projets est une préoccupation fondamentale dans le processus.

Une des difficultés que rencontre la Belgique dans sa programmation d'aide au commerce est précisément que les pays partenaires ne font pas systématiquement du commerce une priorité dans leurs stratégies de développement. C'est pourquoi la Belgique plaide régulièrement, au Conseil de l'Union européenne et dans d'autres enceintes internationales, pour que les pays bénéficiaires veillent à mettre en œuvre les recommandations de la « task force » de l'OMC sur l'aide au commerce qui les concernent, en particulier l'intégration du commerce dans leurs stratégies de développement.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

Dans la loi sur la coopération internationale, l'aide au commerce n'est pas reprise comme secteur prioritaire de la coopération au développement. Pour ce qui est de la coopération bilatérale : étant donné que la Belgique souhaite limiter le nombre de secteurs de coopération à deux par pays sauf pour la RDC, le Burundi et le Rwanda, l'aide au commerce n'est pas actuellement au centre du dialogue pour la mise au point d'un programme indicatif de coopération. Ceci n'empêche que sur demande du partenaire une part marginale peut être réservée à ce secteur principalement pour de la formation ou de l'expertise dans le cadre d'une enveloppe multisectorielle.

ALIGNMENT

Refers to donors basing their overall support on partner countries, national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Les principes de la Déclaration de Paris sur l'efficacité de l'aide servent de guidelines pour la programmation et la mise en œuvre de la coopération belge au développement.

HARMONISATION

Refers to donors actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Les principes de la Déclaration de Paris sur l'efficacité de l'aide servent de guidelines pour la programmation et la mise en œuvre de la coopération belge au développement.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

La Belgique a fait part de son intention de contribuer au Cadre Intégré Amélioré à partir de 2008. Aucun montant précis ne peut être indiqué à ce jour, le processus de programmation étant encore en cours.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

La stratégie d'aide pour le commerce est en cours d'élaboration. Les objectifs sont repris dans les directives du Ministre de la Coopération au Développement de février 2007 (voir question 9).

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Une évaluation de la conformité de l'aide belge au commerce avec les déclarations politiques et les engagements internationaux de la Belgique va être proposée prochainement par le Service de l'évaluation spéciale de la coopération au développement aux services concernés.

L'aide au secteur privé et l'aide financière font actuellement l'objet d'un programme d'évaluation qui s'articule autour de trois axes :

- l'évaluation de la société belge d'investissement pour les pays en développement (rapport fin 2007) ;
- l'étude des allègements et annulations de dettes pratiqués par la Belgique depuis 2000 (rapport 1^{er} trim 2008) ;
- l'étude des prêts d'Etat à Etat sur la même période.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Le Service de l'évaluation spéciale a participé activement au Comité de pilotage de l'examen stratégique des activités d'assistance technique liée au commerce de l'OMC (rapport OMC WT/COMTD/W/ 152 du 19/09/2006). Il était un des commanditaires de l'évaluation conjointe « Co-ordination of trade capacity building in partner countries, Evaluation Services of the European Union, 2006. »

Des évaluations conjointes portant sur des activités d'acteurs multilatéraux en matière d'aide au commerce seront prévues dans le programme d'évaluation 2008-2009.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

L'évaluation et le suivi des engagements en matière d'aide pour le commerce figurent parmi les axes principaux de la future Stratégie Conjointe de l'UE pour l'aide au commerce. L'UE constitue le cadre approprié. La Belgique participe activement aux discussions au sein de l'OCDE, en vue d'adapter les bases statistiques relatives à l'aide au commerce. Sur le terrain, au niveau local, la Belgique encourage les forums de concertation et de coordination entre donateurs et y participe là où elle est présente.

CAMBODIA

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. *What priority is accorded to trade development in your country's economic growth/national development/poverty reduction strategy?*

International trade has played a fundamental role in Cambodia's economic growth over the last 10 to 15 years. Exports represent approximately a quarter of the country's GDP. Expansion of international trade is a key element in Cambodia's "rectangular strategy." The rectangular strategy is Cambodia's principal tool to meet the objectives of its National Strategic Development Plan (NSDP) and its Millennium Development Goals (CMDGs.)

While international trade has been central to creating employment and lifting income in Cambodia in recent years, the mainstreaming of trade development in the country's poverty reduction efforts is an area that could benefit from a closer understanding of the relationships between trade expansion and poverty reduction. The RGC is trying to explore more vigorously and more explicitly these relationships as part of its Diagnostics DTIS 2007 and through a series of studies launched under the Ministry of Commerce's Human Development Impact Assessment (HDIA) of trade. The hope is that, through a better understanding of those relationships, trade development interventions can be better focused on poverty-reduction. Cambodia is clear that trade expansion is not an end in itself but only a means to achieving human development and poverty-reduction.

Nearly 90 of Cambodia's population is rural and 65 % is employed in the agriculture sector. This suggests that the relationships between trade expansion and employment and income generation among rural and agricultural populations are central to poverty reduction.

2. *Do you have a government-wide trade development strategy and if so what are its main priorities? What time period does it cover?*

The RGC is completing the preparation of its DTIS 2007, which is expected to guide its trade development during the next 3-to-5 years.

The main priorities emerging from the DTIS 2007 are:

1. A pressing need to diversify Cambodia's "export basket" – currently over-dependent on garments and tourism;
2. The need to build and/or strengthen a number of critical legal and institutional infrastructures for trade development including, at a minimum the trade facilitation infrastructure, the investment facilitation infrastructure, the SPS infrastructure, the TBT infrastructure, and the IPRs infrastructure. For now, insufficient legal, human, and institutional capacities in those areas are bottlenecks to the further expansion and

diversification of Cambodia's exports. As part of its accession to the WTO and its focus on reform, Cambodia has developed an extensive Work Programme of legal reforms intended to improve the environment for business development. Cambodia needs to accelerate implementation of that Work Programme especially in the legal areas that are likely to have an immediate impact on the five institutional infrastructures identified above;

3. The need for sector-specific interventions in a number of products and services that are showing export potentials and possible positive impact on human development and poverty reduction. These interventions are intended to complement at the product- or service-sector level those described under item (2) above and to assist more directly in expanding and diversifying Cambodia's productive export capacity. Sector-specific interventions are likely to stress issues such as: entrepreneurship development, sector-specific investment, skill development, trade promotion, and others. A list of priority sectors is being reviewed and discussed for final selection by the Government and its Development Partners based on a detailed analysis of 19 product and service sectors prepared under DTIS 2007.

3. Does your trade development strategy specify aid-for-trade needs?

Implementation of the DTIS 2007 will be done on the basis of a three-year rolling plan consistent with Cambodia's MTEF (Medium Term Expenditure Framework a.k.a. Cambodia's Public Investment Programme or PIP.) The trade component of the PEP will identify both Aid-for-Trade already in place and unfunded Aid-for-Trade needs.

The current identification exercise is not yet completed. In addition, the view is that this identification of gaps and possible financial needs will become subject to a regular annual review by the Government and its Development Partners as part of their annual review of progress on the implementation of DTIS 2007.

4. What are the main trade development challenges and opportunities you face which require collaboration with other countries in your region? Are these addressed in your trade development strategy?

The Asia-Pacific region is already a major destination for Cambodian exports and is likely to grow as a market in the years ahead.

ASEAN, as a sub-regional market, has a critical role to play to provide a counter-weight to the region's "elephants" (e.g. China, India, Japan.) However, for now, the importance of intra-ASEAN trade for Cambodia is quite limited perhaps because the system of Temporary Exclusion List, General Exception List, and Sensitive list is restricting access opportunities for a number of competitive Cambodian exports.

ASEAN also has a role to play in providing a framework for its member to meet international technical standards that are taking increased importance in determining market access worldwide.

HOW MUCH AID-FOR-TRADE DO YOU RECEIVE?

5. Have you costed your trade development strategy? What percentage of your trade development financial requirements do you expect to be funded by ODA?

The effort to cost a three-year rolling plan of projects and TAs that will be required to implement DTIS 2007 is still underway. Accordingly, answer to the question is not fully known as of yet.

6. Which activities do you consider are supporting your trade development strategy? Accordingly, how much aid-for-trade have you received by category for the period 2002-2005, and in particular in 2005?

The table attached to this report identifies projects (ongoing or pipeline) that are understood to be supportive of the broad objective and priorities of Cambodia's trade development strategy for the period 2006-2010. It does not represent a perfect match between future needs and resources, simply a stock-taking of aid already in place and/or pledged. As noted in the answer to the previous question, Cambodia is still in the process of fully costing its needs.

The data is organized using a classification scheme similar to that used in the DAC (Doha Data Base)/CRS (Credit Reporting System) data base – except that projects shown here under “product or service sector development” and “infrastructure” includes only those that are known to have a direct impact on or relationship with Cambodia's trade development (the CRS data base, for now, is unable to distinguish between trade-related and -unrelated projects.)

7. Describe any key trade development priorities that are constrained by lack of donors' funding?

Funding gaps will be better known and understood once the Government and its Development Partners have completed the three-year rolling plan exercise. As noted above, work on such costing is underway.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

8. Describe the internal governmental coordination process to prepare your trade development strategy.

DTIS 2007 was prepared by a team of consultant under the guidance of the Ministry of Commerce. The team includes local consultants, MoC professionals, and international experts with multi-donor support and contributions coming from UNDP, UNCTAD, ITC, the World Bank, the European Commission, GTZ, IFC, and the IMF.

Throughout the process of preparation, MoC's Secretary of State in charge of the IF and Aid-for-Trade organized a number of consultation meetings to allow the team to share and discuss early findings with the Ministry and the Donors at several stages along the way.

A first “Main Findings” draft volume was presented to a broad audience of senior officials from all concerned Ministries in March 2007. The various Ministries were then given a chance to provide written comments. Local Development Partners as well as IF agencies were also asked to provide written comments on the initial volume.

The full report is being finalized by the DTIS Team. The expected launch has been set for early December 2007.

Implementation of the Trade Strategy will be formalized by means of annual business plans, a three-year rolling plan, and specific projects. These will be prepared through intensive consultation between Development Partners and the Government using the mechanism of the newly formed *Sub-Committee on Trade Development and Trade-related Investment* and with input from the existing *Government-Private Sector Forum* (more on these below.)

OWNERSHIP

Refers to partner countries exercising effective leadership over their development policies and strategies and coordinating development efforts.

9. What needs assessment tools do you use to formulate your trade development strategies (do you use diagnostic studies, e.g. such as those prepared under the Integrated Framework?)

Cambodia's latest trade development strategy – DTIS 2007 – borrows from the concept of the diagnostic studies promoted under the IF. This is the second such study by Cambodia, following the earlier DTIS 2002.

DTIS 2007 differs somewhat from DTIS 2002 however, in that it seeks to assist the Government and Development Partners in identifying more clearly Priority Areas for action and intervention and Aid-for-Trade support than is done in a conventional DTIS.

In conventional DTIS studies (including Cambodia's DTIS 2002), experience has shown that Governments and Development Partners are often left unsure as to where to focus resources because of a lack of clear priority ranking among the multitude of Actions identified. Partly through the document itself, but also through the process that has accompanied its preparation, DTIS 2007 expect to go much further in creating a shared vision between the Government and its Development Partners as to which Priorities to tackle first.

Implementation Plans for the Priority Areas identified jointly by the Government and Development Partners will be structured around an annual business plan, a comprehensive rolling three-year plan, and specific project documents. The annual business plan and the three-year rolling plan will be reviewed, monitored, and updated on a yearly basis by key stakeholders.

10. How do you involve key stakeholders (including the private sector and civil society) in the identification of your trade development challenges and opportunities?

Cambodia is using several main mechanisms for consultation and dialogue with key stakeholders in support of both the **identification** and the **implementation** of its trade development strategy.

By Sub-Decree of 7 March 2007, the RGC has created a *Sub-Steering Committee on Trade Development and Trade-Related Investment*. The Sub-Steering Committee is chaired by the Senior Minister of Commerce and vice-chaired by a Secretary of State from the Ministry of Economy and Finance (As per Decree of 25 January 2007.) Key line ministries concerned by trade development are represented on the Sub-Steering Committee (e.g. Industry, Mines and Energy; Agriculture, Forestry and Fisheries; Public Health; etc.) The Sub-Steering Committee can act as a "mini-Council of Ministers," can review issues and make proposals for review and/or approval either by the Prime Minister or by the full Council of Minister as appropriate.

In addition, the Sub-Steering Committee calls for regular dialogue meetings (at present held every two months) with Development Partners working on Trade Development.

The newly formed Department of International Cooperation in the Ministry of Commerce (by Decree of August 2007) serves as the Secretariat to the Sub-Steering Committee, is responsible for leading the implementation of Cambodia's Trade Development Strategy (DTIS 2007,) and is responsible for day-to-day oversight of Cambodia's Aid-for-Trade mobilization effort. The Department is lead by a Secretary of State. As part of the Department's day-to-day operation, the Secretary of State initiates frequent dialogue and consultation meetings with Development Partners.

For regular consultation with the business sector, the RGC has put in place a Government-Private Sector Forum mechanism chaired by the Prime Minister. The Forum meets twice a year. The Forum is organized in eight working groups, several of which address issues impacting trade development. The Forum is the place for the private sector to raise issues of importance to its development and for the Government to report on progress made on outstanding issues.

Lastly, implementation of Cambodia's Trade Development strategy is being done on the basis of a Trade Sector Wide Approach (Trade SWAp). The Trade SWAp recognizes that the Government trade development effort must be inter-ministerial (with MoC in the lead) and requires a high level of inter-ministerial coordination and that Development Partners must also coordinate their aid across a number of Ministries and Agencies to increase the effectiveness of their support in this area.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

11. Are external partners using your policy planning and budgeting framework as a basis for their aid-for-trade support?

Not all economic and social sectors have been incorporated into Cambodia's Planning and Budgeting Framework as of yet. RGC is in the process of bringing the Trade Sector within that framework. Once a sector has been brought under that umbrella, Development Partners are expected to align their development support with Cambodia's PIP (MTEF) and the development objectives identified for each sector under it.

At present, there is a clear desire on the part of both the Government and the Development Partners to align support with the PIP and to harmonize development support along a shared strategy that will be the basis for incorporating trade into the PIP.

12. How well do aid-for-trade flows reflect your government's trade development priorities and what aid management information system do you use?

A more formalized Aid-for-Trade information system will be developed as part of the implementation of DTIS 2007 and the formal incorporation of the trade sector in the PIP process. That information will be made more transparent through its posting on a web-site (or series of web-sites) that will be part of the "trade information gateway" that is being developed by the Ministry of Commerce.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

13. How do you encourage external partners to coordinate their trade related analyses and programming? Where, if at all, are the main coordination gaps?

Through the formulation of DTIS 2007, as suggested earlier, Cambodia's Government and Development Partners are developing a shared vision of the key objectives and main priorities for the country's trade development strategy. This vision will provide the objectives of the Sector-wide Programme (Trade SWAp) that will be implemented through a series of harmonized and coordinated area-specific projects (cross-cutting issue projects and product-specific projects.) The analyses and draft programming developed for each area-specific project by the Government and individual Donors will be shared among all Donors for improved coordination and harmonization and to ensure

they are supportive of the overall objective of DTIS 2007. This process will take place, in part, through the formal channel of the Sub-Steering Committee in its responsibilities for overseeing the implementation of DTIS 2007.

While some of the new support provided by Development Partners for Trade may flow through one or several multi-donor trust funds to facilitate some aspects of coordination, reality is that Aid-for-Trade will continue to flow through a variety of funding mechanisms for quite some time. Accordingly, a fair amount of effort will continue to be required to ensure coherence and complementarity of various Aid-for-Trade supports.

Finally, it might be noted that, in the area of product-specific projects, the Government and the Development Partners are discussing sharing a common value-chain approach to identify sector-specific bottlenecks and needs.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

14. How do you measure the success of your trade development and aid-for-trade strategies?

15. Do you cooperate with donors and other stakeholders in joint monitoring and evaluation of aid-for-trade programmes?

At present, Cambodia does not have formal mechanisms or tools to track, measure, monitor, and evaluate Results and Impact of its trade development and Aid-for-Trade strategies. However, these will be developed as part of the implementation of DTIS 2007.

To date, tracking and measurement – when existing – have been done largely on a project-by-project basis, focusing principally on monitoring of outputs and monitoring of expenditure. Under DTIS 2007 the plan is to expand beyond the tracking of project output and expenditure and to develop various measures of impact as well as to introduce more regular evaluations of project results and aid-for-trade impact.

The goal is also to develop indicators that help monitor and measure better the contribution of trade to human development and poverty-reduction in Cambodia.

Finally, JMIs (Joint Monitoring Indicators) will be developed for the Trade SWAp for purpose of reporting in the context of the CDCF (Cambodia Development Cooperation Forum.)

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

16. The WTO Task Force recommended establishing “A National Aid-for-Trade Committee, where necessary, to ensure trade mainstreaming in national development strategies, determine country needs, set priorities, assist in matching ‘demand’ and ‘response’, and help in evaluation.” Has such a Committee, or an equivalent body, been established in your country?

As indicated earlier the RGC has established a Sub-Steering Committee on Trade and Trade-Related Investment which is responsible for all matters related to trade development and coordination with

development partners in the area of trade – including the Enhanced IF and the Aid-for-Trade initiatives.

Also, as indicated earlier, this Committee will be back-stopped by the MoC's Department of International Cooperation that will assume Secretariat functions in support of the various trade initiatives.

It might usefully be noted that the Sub-Steering Committee benefits from the experience of an earlier Committee, that focused more narrowly on Trade Facilitation and whose functions have now been subsumed in the broader TORs of the *Sub-Steering Committee on Trade and Trade-Related Investment*.

17. Describe the process and key actors (such as donors, private sector-representatives, etc.) involved in reviewing progress toward fulfilment of your aid-for-trade and trade development commitments?

The answer to this question is covered in part by the response to item 11 above as many of the same mechanisms will be involved in the review of progress.

CHILE

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Chile has a development strategy that regards trade as a key element, and trade is a powerful component in our cooperation programs within South America and Central America. The percentage of increase of Chilean foreign trade doubles the percentage of increase of our GDP, and is the base of our growth and employment production.

The main elements of the Aid for Trade initiative are present in our international cooperation and foreign trade policy, though Chile has not yet structured a Program as a whole. Since the democracy recovery, Chile has signed Economic Complementations Agreements (ACE) and Free Trade Agreements (FTA) with the neighbor countries to open trade in the region and establish a resource for the Less Developing Countries (LDC) in our region. The ACEs has been used as a reference to subscribe cooperation and crosscutting coordination agreements with other national institutions in Latin America, especially on sanitary and phytosanitary issues.

The ACE 22, with Bolivia, is a clear example of the policy followed by Chile, granting Bolivia a preferential access to Chilean markets without reciprocity.

Chile has decided to collaborate with our region in terms of using trade as a development tool because of political and economical reasons, offering to our neighbors the possibility to use our FTAs as a platform to the 54 countries where Chile has a preferential access nowadays.

Our foreign trade policy aims at expanding international insertion, combining the development of exports with the promotion and protection of investments; enhancing competitiveness and the spreading of technological change, in a context of stable rules, of monitoring unfair competition, and with policies that reinforce their impact on social equality.

Based in the UN Millennium Goals and its thematic objectives, Chile through AGCI (Agencia de Cooperación Internacional, International Cooperation Agency), has shared our experiences with other countries in the region, of equal or lesser development status. We have an annual budget close to US\$ 3 million for cooperation with Latin America and the Caribbean.

Since 90s decade, AGCI has also implemented a Technical Cooperation (Horizontal Cooperation) program between developing countries, with the sharing of some expenses, and through bilateral and regional actions. One of the three main objectives is to collaborate with the development process in the region, supporting democracy, equity and sustainable development. Workshops, technical assistance, and internships are the main tools, in order to provide capacity building and encourage reciprocity.

Besides, Chile is an active stakeholder in Triangular Cooperation, where we channel the financial resources and knowledge from developed countries to developing ones, adding our know-how and capacity building in the format of best practices. Among these policies it is worth to mention the exports model, SMEs promotion and internationalization, regulatory practices and technical obstacles to trade.

Also, the National Service of Customs has subscribed several Cooperation Agreements with the counterparts in Latin America, Europe, and Asia, facilitating trade and the international insertion. The ones in force are Chile – Peru, Chile – Bolivia, Chile - MERCOSUR (it is being renegotiated), Chile – Ecuador, Chile – Korea, Chile – European Union, Chile- The Netherlands. Already approved: Chile – Poland, Chile – Russia, and Chile – Italy.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

The Government of President Bachelet, which took office last year (March, 2006), is committed to continue the successful process of international reinsertion of our country, strengthening the links between South America countries and empowering the relations at a political, cultural, economical and trade level.

Nevertheless, as it was said previously, though the main elements of the Aid for Trade initiative are present in our international cooperation and foreign trade policy, Chile does not have an Aid for Trade Program itself.

Chile is engaged to build on the consensus in Aid for Trade as part of development strategies, prioritizing technical assistance and capacity building, in order to mitigate the possible adverse effects of openness and enhance LDC perspective in global trade. All this as a part of our State priorities: intraregional integration, multilateralism promotion, and cooperation as an efficient instrument.

Some experiences worth to mention are the technical advice given by the National Economic Prosecutor Office to Nicaragua and El Salvador; the technical advice provided by the Foreign Trade Department of the Ministry of Economy to a Chinese delegation in the issue of technical barriers to trade (2005); Corfo's (Chilean Economic Development Agency) technical assistance to the institutions of neighbor countries.

3. How does this strategy address regional aid-for-trade challenges?

The Foreign Affairs policy of Chile, including international cooperation, has faced this kind of challenges with the development of joint projects in mining, energy, infrastructure, tourism, health, and cross border facilitation.

With Uruguay and Paraguay we have developed programs for institutional modernization, particularly in those areas set by them as priorities: electronic government, international negotiations, SMEs and exports sector. In Centro America we have continued the cooperation in areas such as institutional empowerment, public governance, poverty reduction and trade capacity building.

Chile, through DIRECON and AGCI, addresses the bilateral and regional challenges to trade and cooperation, and takes into consideration the requests of the potential beneficiaries. Consultancies are also another way to address their specific and domestic needs, with Chilean experts going to these countries for a brief period. Internships, workshops, and regional seminars are another ways to asset Aid for Trade challenges.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. *How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?*

As stated previously, Chile has not defined a specific plan for Aid for Trade (A4T), but its international cooperation concept and foreign trade policy include several elements that are already considered in A4T. We conceptualize international cooperation as a relation between partners that is built through different kinds of cooperation. Trade related programs are those oriented to strengthen the international trade capacity and supply side capacity of developing countries through technical and infrastructure cooperation, and are being done periodically within Latin America by Chilean professionals of several Ministries involved in the AGCI programs.

On infrastructure-trade related issues, Chile is a partner of the initiative “Integration of the South American Regional Infrastructure”, IIRSA in Spanish (Integración de la Infraestructura Regional Sudamericana,¹). The IDB, CAF and FONPLATA are the financing institutions of this initiative, which involves a joint effort for the integration in infrastructure between Argentina, Bolivia, Brazil, Chile, Colombia; Ecuador; Guyana, Paraguay, Peru, Surinam, Uruguay and Venezuela.

The IIRSA Agenda for the period 2005-2010 includes 31 projects that are considered of high impact, they have been prioritized for its funding and execution in the short term, and involve an estimated investment of US\$ 692110 millions.

Also, do please refer to the answers of 1, 2 and 3.

METHODOLOGY

5. *How do you allocate the aid-for-trade share in individual projects and programmes?*

Having said that Chile does not has an Aid for Trade program specifically, but counts with a fine tuning with the A4T concept and our foreign trade policy and international cooperation, we allocate the related programs on demand basis. The institutions of the countries that take part in the program have to apply to the official government contact point for cooperation in their country, before February of each year, and these applications are evaluated by Chilean government experts along with delegates from the Chilean institutions that offer assistance. The timeframes are from one to three years, and includes equipment and other inputs. Grants for young professionals are also part of this Program.

The approved applications are incorporated into the annual work plan, and the results are communicated to the national contact point in the benefited countries.

COMMITMENTS

6. *According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?*

Improving technical assistance, strengthening capacity building, and deepening the Productive Promotion in the benefited countries, with result oriented programs. Some Less Developed Countries

1. <http://www.iirsa.org/>

in Latin America have asked Pro Chile, our national service for exports promotion, to share its experiences, so several cooperation programs have been signed, with Paraguay, Ecuador and Bolivia, among others. This line of action is coherent also with the good neighbor policy that President Bachelet administration has set since she took office in 2006.

Specifically, Chile has invited Bolivian officials to make internships in the Chilean commercial offices that are present in the target markets for Bolivia, so the Chilean network can enhance their trade expertise and possibilities. Besides, Chile is making Market Profiles for some Bolivian products in a number of countries that Bolivia has requested (quinoa in China, cacao in Japan, dried fruits in India, etc.).

There are also joint programs Chile-Bolivia to eliminate the smuggling of goods, and our Sanitary and Phytosanitary Service has given technical assistance to Bolivia for dealing with HFMD (hand, foot and mouth disease), in order to help them with their livestock exports.

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

Do please refer to the answers to questions 2 and 6.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Taking into consideration the AGCI budget, the medium-term provisional perspectives are the following:

<i>(in millions)</i>	2006	2007	2008
Total Chilean Gubernamental Aid <i>(It doesn't include salaries of the public officials)</i>	US\$ 3.3	US\$ 3.5	US\$ 3.8
Total Cooperation that fits under the concept of Aid for Trade stated in point 1-. (Estimated)		US\$ 0.88	
- Trade Policy and R.		0.23	
- Economic Infrastructure		0.03	
- Building Productive Capacity		0.62	

From: Department of Horizontal Cooperation, AGCI

Also, do please refer to the answers to questions 2 and 6.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

Chile has developed an integrated cooperation system through the collaboration that these programs demand, being elaborated and engaged by both Parties. Besides, these programs have to be informed to the Foreign Affairs Ministry (through AGCI and DIRECON), main instrument for the coordination of international cooperation.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Do please refer to previous answers.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

In order to decide on whether national development strategies lack a strong trade development component, we have a permanent monitoring through the commercial offices of Chile placed at our embassies. The focal points at the respective national services also provides their technical trade-related capacity building needs, so we channel the proposals made by the future destinataries, meeting their needs and our offer.

Foreign trade has been, is and will be a fundamental element in our development strategy. And this notion is a key factor in our international cooperation programs, and trade technical assistance and infrastructure programs.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

Following a thematic segmentation of the programs, regular meetings are being held by the AGCI. Administrative Committees, established in the ACEs and FTAs are also an instance for encouraging the dialogue among key stakeholders in partner countries.

The regional platforms that facilitate the integration in Latin America, such as ALADI, CAN, and MERCOSUR, are also an established channel of communication with partner countries, where political, economical and trade issues, among others, are discussed and advanced in a regional scenario and through bilateral relations.

ALIGNMENT

Refers to donors basing their overall support on partner countries, national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

No, because of the lack of funding in some partner countries.

HARMONISATION

Refers to donors actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

The framework of ACEs and FTAs cooperation chapters, for example on sanitary and phytosanitary matters, includes an item for the organization of the cooperation, institutionalized in a Cooperation Committee. This Committee is attended by the heads of each service, or a delegate on his/her behalf, who has to approve the cooperation themes, and afterwards, the technical team is responsible of carrying out, follow up and evaluate the programs.

The permanent communication between AGCI and JICA (Japan International Cooperation Agency), and AGCI and the European Union are also a regular management level for Triangular and bilateral Cooperation.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

At this moment, no.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

With regard to objectives and timeframes, the cooperation and technical capacity building programs contemplate in their texts the respective objective and timeframes, in correspondence to the partner country requirements or according to the agreements reached at the Committees developed in the ACEs and FTAs frameworks.

On success measurement, the AGCI assessment is in accordance with the methodology of Project Cycle.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

The projects are incipient and increasingly formulated with the methodology of Project Cycle and the development of Logic Frame Templates.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

The main partner countries of Chile in the triangulation of cooperation in Latin America have been Japan and Germany. The projects are formulated, monitored and evaluated with them.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Systematically, the Cooperation Committees (implemented under the ACEs and FTAs) and the AGCI networks (with the respective focal points) meet and discuss the activities that have been completed and the midterm projects.

The regular meetings that are being held with Japan and the European Union are also a reviewing mechanism for cooperation programs.

CZECH REPUBLIC

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

The strategy is under preparation.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

N/A (The strategy is under preparation)

3. How does this strategy address regional aid-for-trade challenges?

The Czech Republic will focus its aid-for-trade primarily on eight priority countries with due consideration to cross-border and regional dimension.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

Aid-for-trade (broader definition) = economic infrastructure (all) + production sectors (technical cooperation only), i.e. row 200, column 528 + row 300, column 524 of Table DAC 5

Trade-related technical assistance (narrow definition) = trade policies and regulations, i.e. row 331, column 528 of Table DAC 5

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

A fixed allocation for aid-for-trade (in the narrow sense) implemented by the Ministry of Industry and Trade (CZK 2 million in 2008, further increases envisaged).

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

Bilateral ODA disbursements in 2006: broader definition = USD 4,21 million, narrow definition = USD 39 thousand

Note: In addition to bilateral aid, the Czech Republic also supports aid-for-trade through various multilateral channels, including voluntary contribution to the WTO Trust Fund, aliquot part of contributions to the EU budget, etc.

Important: The Czech Republic cannot provide any data retrospectively since the definition of aid-for-trade was not clear in the period 2002-2005

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

Collective pledge within the EU to increase trade related assistance to EUR 2 billion.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

The current allocation of CZK 2 million is planned to be increased to CZK 5 million by 2010 (covers only aid-for-trade in the narrow sense).

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

The aid-for-trade is implemented by the Ministry of Industry and Trade. Close cooperation with MFA and Czech embassies in developing countries.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

A coordination meeting between MFA and MIT officials was organized in the spring 2007.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

Aid-for-trade should be demand-driven and thus focused on countries that consider trade development as a priority.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

Aid-for-trade should be demand-driven. I.e. we assume that the policy dialogue is in place in partner countries.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

No, the Czech Republic has general reservation to using budget, financial and procurement systems of partner countries (the reservation was expressed in the context of the Paris Declaration).

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Yes, our capacities are limited, so we plan to build on analytical work and experience of other donors.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

No, we primarily focus on bilateral interventions.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

To be developed in the context of the aid-for-trade strategy.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

The same methodology as for any other development cooperation activity (as described in the Project Cycle Manual for Czech ODA).

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Currently not but such a cooperation may be taken into consideration in the future.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Currently not but such a cooperation may be taken into consideration in the future.

DENMARK

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Yes. The Danish strategy, "Trade Growth and Development", was adopted in June 2005 (http://www.um.dk/Publikationer/Danida/English/DanishDevelopmentCooperation/HVUStrategi/hvu-strategi_GB.pdf).

Key elements for action, which should be carried out in a coherent and mutually supportive manner, include: 1) Work for rule-based, transparent, liberal and development-friendly trade regimes, both internationally and regionally. 2) Country-level initiatives aimed at improving the opportunities of developing countries to exploit market access. 3) Focus on the poorest developing countries in sub-Saharan Africa. 4) Special efforts to facilitate increased agricultural exports from developing countries. 5) Greater focus on sustainability. 6) Sustainable poverty reduction and fulfilment of the MDGs', including integration of women in international trade.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

The strategy was adopted just before the WTO conference. Developments since then have not given rise to substantial change of the strategy being pursued at present.

3. How does this strategy address regional aid-for-trade challenges?

The regional aid-for-trade challenges are included in the overall approach, and are addressed in several parts of the strategy.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

Denmark concurs with the definition of AfT, as elaborated by the WTO AfT Task Force in its report of 27 July 2006. Accordingly, Denmark considers it important that all elements of the definition mentioned under point D of the report should be registered separately, so that they can be properly monitored.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

The multilateral assistance to activities related to trade and development is delegated to the Danish UN mission in Geneva. In the bilateral programmes the AfT strategy is directly incorporated in the strategy for assistance, especially to sub Saharan Africa, a region that receives the largest part of the Danish bilateral development assistance.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

Denmark has reviewed its previous reporting of AfT volume. According to the review based on the CRS codes used for reporting to the WTO/OECD TCBD the Danish bilateral AfT for 2006 is estimated to be 568 million DKR under the heading 'Building Productive Capacity'. Other categories of AfT have as yet not been tallied. Earlier reporting for the period 2002-2005 applied to Trade Related Assistance (TRA) alone, and therefore cannot be directly compared to the 2006 figure for the wider category of AfT.

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

In 2006 Denmark has pledged and disbursed 37 million DKR in 2006. (Integrated Framework 12, WTO 7, ITC 13, AITIC 4, IDEAS 1). The multilateral contribution will increase as reported under question 8. As a Member State, Denmark takes part in the TRA commitment made by the EU at the WTO Ministerial Conference in Hong Kong.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Multilateral AfT assistance is planned to be maintained at the level of 55 million DKR p.a. for the period 2007-2011.

Regional AfT is planned for the East African Community, but the amount in question depends on an ongoing analysis. The authority to plan and implement bilateral assistance has been delegated to the Danish Embassies. AfT is an integral component of the embassies planning, especially for Africa, and is programmed in accordance with national development and poverty reduction strategies. In Africa alone, we expect to disperse 200 – 300 million. DKK p.a. in the medium term.

Denmark expects to honor its share of the EU commitment, made in Hong Kong, to increase the Union's collective TRA to 2 billion euro p.a. by 2010

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

At the national level in the recipient countries AfT assistance is planned and implemented according to the respective national development and poverty reduction strategies. AfT is also included in the overall Danish strategies for development assistance to the geographical regions (Africa, Asia and Latin America).

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

In accordance with the adopted strategy, the Ministry of Foreign Affairs has strengthened the competence development of its staff. The Ministry has also established a special task force, which closely follows the development of AfT. Finally, a virtual network between relevant Danish embassies providing multilateral assistance and the Ministry is under consideration.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

As a major contributor to the Integrated Framework (IF), Denmark supports the mainstreaming of trade into national development and poverty reduction strategies, as well as the thus defined priority areas of AfT.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

According to the Paris Declaration on Aid Effectiveness, Denmark is actively involved with the national authorities' and other donors' coordination in each of the partner countries. In a number of partner countries, we have elaborated joint assistance strategies. As mentioned under question 9, the regional strategies - especially the one for sub-Saharan Africa - emphasise the integration of AfT in the national strategies. Trade and development, including AfT is regularly a part of our biannual high level consultations with partner countries.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Denmark participates actively in supporting the partner countries policy planning and budgeting framework. It is up to the embassies together with the respective partner countries to assess what priority should be given to Danish AfT programmes in this process.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

As mentioned under question 12 Denmark is actively implementing the objectives of the Paris declaration. This implies close coordination with other donors and focusing the Danish bilateral assistance on fewer sectors as a result of the division of labour between donors. Denmark is actively involved in coordination both bilaterally at the national level in programme countries and at the multilateral level in OECD, the WTO, the EU and the IF etc. Coordination is also undertaken in relation to assistance at the regional level.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Denmark intends to make sure that we, as a minimum, will live up to our fair share of the commitments, made by the EU as a whole, to increase TRA.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

Multilateral assistance: Denmark recommends concurrent monitoring and regular evaluation.

Bilateral assistance: Evaluation is an integral part of all assistance programmes. The evaluation includes progress in AfT.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

The methodologies applied depend on the organizational framework and the programmes under implementation.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Yes. Denmark cooperates with other donors and partner countries in monitoring and evaluation of multilateral and bilateral AfT. As a Member State of the EU, Denmark engages in continuous dialogue with its European partners *inter alia* to ensure that Danish AfT is rendered in a coherent manner according to the EU guidelines for such assistance.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Yes. This applies especially to the OECD/DAC and the WTO.

FINLAND

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

The importance of supporting the developing countries' trade capacity has been emphasised in government resolutions on *Finnish Development Policy* (2004) and on *Finnish Trade Policy* (2005). The main goal of Finnish trade and development policy is to support developing countries in their efforts to better integrate into world trade. The aim is to improve market access and to develop international trade rules so that they better take into account the special needs of poorest countries. These policies are complemented by support to developing countries' trade capacity through development cooperation (aid-for-trade). During last couple of years Finland has actively participated in the process of developing EU policies on aid-for-trade.

Finland has adopted a policy paper *Supporting Developing Countries' Trade Capacity in Finnish Development Cooperation* on putting trade-related assistance into operation in Finnish development cooperation. The policy paper focuses on scaling-up trade-related technical assistance and capacity building (TRTA/CB) and mainstreaming aid-for-trade as part of our multi- and bilateral development cooperation.

In multilateral cooperation the focus is on scaling-up more effective TRTA/CB. The key element is to concentrate on a relatively few number of delivery channels and prioritise the Enhanced Integrated Framework.

In bilateral cooperation the key issue is to focus support on broader aid-for-trade programmes, which are part of national development and poverty reduction strategies. Consequently support is channelled to support both external trade-related activities and programmes including strengthening of productive capacity and private sector development in more general terms.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

The Finnish aid-for-trade policy paper was adopted on May 2006 as a response to the pledges undertaken at December 2005 WTO Ministerial Conference. Since then the WTO aid-for-trade Task Force's recommendations have been adopted by the WTO General Council and the European Union has started to prepare its joint aid-for-trade strategy to be adopted later this year. In light of the evolving international debate, the Finnish policy paper will be updated in the process of putting the future joint EU aid-for-trade strategy into operation as part of Finnish development policy in 2008. One of the main issues is to adapt our thinking to encompass the wider aid-for-trade agenda, i.e. support beyond the earlier narrow definition of TRTA/CB and then mainstream aid-for-trade into the operations of our development policy.

3. How does this strategy address regional aid-for-trade challenges?

The current Finnish aid-for-trade policy paper does not place a special emphasis on regional aid-for-trade challenges. However, there are already plans to increase our support for the regional aid-for-trade dimension. After the adoption of the joint EU aid-for-trade strategy the regional dimension is likely to get even more attention in our support activities. We specially look forward to the forthcoming Economic Partnership Agreements (EPA) between African, Caribbean and Pacific (ACP) countries and the EU and the opportunities they provide for regional aid-for-trade work.

The emphasis of our multilateral aid-for-trade support has been on the Least Developed Countries (LDC) and this focus will be maintained in the future as well.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

Finland follows the definition of the WTO aid-for-trade Task Force. Finland considers support to be aid-for-trade when it falls under categories trade policy and regulations, trade development, building productive capacity or trade-related infrastructure according to the reporting guidelines by the OECD and the WTO. Finland supports aid-for-trade data collection method based on OECD's Creditor Reporting System (CRS). Finland follows the international discussion on defining the aid-for-trade category trade-related adjustment and is ready to adapt its definitions based on international consensus.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Finland uses a single purpose code, and thus defines the aid-for-trade share for individual projects and programmes to be either 100% or 0%. Therefore, Finland will not use any partial shares concerning the aid-for-trade related projects.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

Our aid-for-trade commitments are acceptable for the years 2002, 2003 and 2005 as presented in the CRS profile annexed to the donor questionnaire by the OECD. However, due to missing data for the year 2004, the average of 2002-2005 is downwards biased. Therefore, Finland has estimated the missing 2004 values on an aggregate level (see attached Annex A for details).

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

Finland pledged to increase its TRTA/CB, as so defined by the OECD and WTO, to 2 % of Finnish Official Development Assistance (ODA) by 2010 (from approximately 5,8 Million € in 2004, to approximately 15 Million € by 2010).

As part of the EU, Finland is also committed to fulfil the collective pledge by the EU Member States to strive to increase TRTA/CB to €1 billion per year by 2010. In a similar manner Finland has committed itself to continue and strengthen the support to the wider aid-for-trade agenda (i.e. aid-for-trade beyond the categories trade policy and regulations and trade development).

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

In case of TRTA/CB our plans are based on the 2% commitment until 2010 (see answer to question 7). In multilateral cooperation our annual contribution to the TRTA/CB will be gradually increased from 2006 € 3 Million to € 10 Million by 2010 taking into account the general increase and division of Finnish ODA. In the bilateral side our minimum goal is at least €5 million annually to TRTA/CB by 2010.

Finland does not have a separate financial plan specifically for the wider aid-for-trade agenda until 2010 or beyond, since aid-for-trade forms a considerable part of our development cooperation and the programming decisions and plans are not based on trade-related concerns solely. At the moment, our general aim is to strengthen our support to the entire aid-for-trade agenda in line with the general increase of Finnish ODA.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

Our development policy places much emphasis on trade and development issues. The implementation of the programme has been monitored in two self-assessments made by the ministry. We have also established an inter-departmental “trade and development network” which consists of representatives from the departments for external economic relations and development policy as well as department for global affairs and operational regional departments. This is the forum for recurrent follow-up of the agenda.

Country-level programming is to a large extent influenced by harmonisation processes and division-of-labour. However, aid-for-trade issues have been incorporated also in other sectors (e.g. rural development).

Our position has been to avoid pre-defined input allocation criteria in the programming of Finnish aid. Hence we have not established any formal criteria or yardsticks to assess how aid-for-trade – or any other specific theme for that matter – is incorporated in the programmes. In a relatively small and flexible organization like ours we trust that active cooperation between departments yields the best results.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

We have recruited and are in a process of recruiting some new staff members both for the ministry and embassies. In addition, in all operational country departments we have identified aid-for-trade focal points to coordinate aid-for-trade-work in their regions.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

It depends on our country programme. If we participate in general budget support cooperation, it provides a good framework for policy dialogue on trade capacity and broader aid-for-trade issues. Like in all countries, we have constant dialogue with our partner countries through our embassies and high-level visits. Since trade and development agenda is of high priority in our development policy, we constantly introduce it on the agenda in our bilateral political dialogue with our partners.

The aid-for-trade component is somehow present practically in all of our cooperation programmes. In some countries like Vietnam we have supported programmes to improve trade capacity of the country and we also have included support for trade-related aspects in sectoral programmes like for example forestry (Vietnam and Laos) or agriculture (Nicaragua and Vietnam). In Zambia where aid-for-trade is one of the three priority sectors for Finnish bilateral development cooperation, it forms a core agenda for collaboration and Finland acts as a lead donor in this area.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

In addition to policy dialogue (see above) Finnish embassies can finance small-scale local activities and local NGOs in a flexible manner. Some of these funds have been used to finance aid-for-trade related dialogue locally. Policy dialogues on aid-for-trade can also be supported as part of sectoral programmes and projects.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Whenever possible. However, our support is not targeted at separate aid-for-trade programmes. The so-called aid-for-trade components are embedded in sectoral support programmes such as in agriculture and forestry, or private sector development programmes or budget support. Finland emphasizes in all its support, including aid-for-trade, national ownership and working through national planning and budgeting systems to help the implementation of poverty reduction strategies and other national development and national sector plans and programmes.

Finland is also a strong supporter of Enhanced Integrated Framework and methodologies behind the initiative. We find that the IF is a major tool for international community to align itself with partner countries' national development strategies and to help international community to coordinate their trade-related aid to the least developed countries.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

In some countries, for example in Zambia, Vietnam and the Mekong region.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Yes, we are increasing our regional aid-for-trade support in Mekong and in the Andes and Central America. In the case of African, Caribbean and Pacific (ACP) countries we look forward to the forthcoming Economic Partnership Agreements (EPA) between ACP regions and the EU and the opportunities they provide for regional aid-for-trade work. In 2007 Finland started to fund East African Community (EAC) basket fund to enhance integration for building trade capacity in the area.

In the multilateral cooperation the Finnish annual contribution to the TRTA/CB will be gradually increased from 2006 € 3 Million to € 10 Million by 2010 taking into account the general increase and division of Finnish ODA.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

The specific objectives and timeframes related to aid-for-trade arise from the individual programmes or projects we support in different countries. Generally our country specific programmes are assessed every two years together in bilateral negotiations with the partner country or through mid-term reviews of final evaluations according to funding period. In multilateral efforts we follow their cycle and we prefer joint evaluation and monitoring instead.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Standard procedures using MFA guidelines, consult teams and joint-evaluations whenever possible.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Finland participates willingly in joint donor evaluations of trade-related multilateral organisations and funds. Joint monitoring and evaluation is also preferred in bilateral cooperation whenever possible. For example in Zambia we participate in donor coordination group.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

We have not yet have specific mutual accountability activities related to aid-for-trade. This is due to lack opportunity, not due to choice. The forthcoming EU aid-for-trade strategy will provide for an implementation and follow-up structure that we will utilise to the extent possible.

FRANCE

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Après la Conférence de Doha au cours de laquelle l'aide au commerce avait été mise en exergue, le Conseil interministériel français de la Coopération internationale et du développement a initié, en 2002, un plan français pour l'aide au commerce combinant :

- un programme national triennal de renforcement des capacités commerciales (PRCC),
- des contributions multilatérales,
- la promotion d'initiatives dans le cadre des programmes d'aide bilatérale.

Avec un budget de 25 M€, le PRCC était destiné prioritairement à répondre à des besoins en matière de renforcement des capacités d'exportation, d'assistance institutionnelle et de formation.

Les contributions multilatérales visaient les différents fonds d'aide pour le commerce tels que le Cadre intégré et le Fonds de Doha.

Les composantes commerciales des projets mis en œuvre dans d'autres secteurs de l'APD ont été identifiées.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Après les engagements européens pris à Hong Kong, le suivi des actions d'aide au commerce s'est renforcé :

a) Mobilisation plus large des acteurs publics impliqués dans l'aide au commerce :

L'exercice de notification annuelle de l'aide au commerce a permis de renforcer les échanges entre organisations et institutions impliquées dans les appuis. Ainsi, sont consultés les Ministères des Finances, du Commerce, des Affaires étrangères et de l'Agriculture, les agences spécialisées telles que l'AFD (Agence Française de Développement), l'ADETEF (Agence pour l'Assistance au Développement des Echanges en Technologies Economiques et Financières), la MILDT (Mission Interministérielle de lutte contre la drogue et la Toxicomanie), ou encore les ports autonomes de France.

b) Renforcement des instruments financiers :

Le financement des fonds multilatéraux s'est poursuivi. La mise en place de budgets pluriannuels permettant une meilleure visibilité de l'implication de la coopération française dans ces initiatives, est en cours d'élaboration.

Au niveau des actions bilatérales, l'élargissement de la définition de l'aide au commerce aux cinq catégories (i.e. recommandations de l'équipe spéciale chargée de l'aide au commerce du 27 juillet 2006) a permis de consolider une vision plus exhaustive des actions de coopération dans le domaine du commerce et de renforcer la cohérence des axes d'intervention.

Le programme PRCC a été renouvelé pour une période de 3 ans avec un budget de 25 M€. Ce renouvellement a visé une efficacité accrue en introduisant, notamment, des simplifications dans les procédures et dans le déroulement des projets :

- extension de la couverture géographique, au-delà de la liste des pays prioritaires définie dans le PRCC1¹, à la Zone de Solidarité Prioritaire définie par le Premier ministre pour l'APD française, avec une priorité pour les pays les moins avancés (PMA) ;
- appréciation élargie du concept d'appui à l'exportation en prenant en compte l'environnement des affaires de manière plus générale ;
- possibilité de procéder à une approche régionale ;
- délégation accrue aux représentations dans les pays bénéficiaires (agences de l'AFD et missions économiques) ;
- possibilité de conclure des partenariats avec des collectivités locales et des entités privées, dès lors qu'elles remplissent des missions de service public en lien direct avec l'ouverture du pays aux échanges internationaux et leur insertion dans le commerce mondial.

En annexe est jointe une plaquette de présentation du PRCC.

c) Actualisation de la stratégie française :

Au niveau européen, une stratégie de l'UE pour l'aide au commerce est en cours d'élaboration et sera présentée au Conseil à l'automne 2007.

Celle-ci servira de base à la révision de la stratégie française d'aide au commerce en 2007/08.

3. How does this strategy address regional aid-for-trade challenges?

L'aide française au développement est largement impliquée dans le renforcement des dynamiques régionales, notamment en Afrique de l'Ouest et du Centre. L'aide au commerce en est une composante importante, que ce soit via le renforcement des compétences des organisations régionales (ex : UEMOA, CEMAC), la structuration de la société civile représentant les acteurs économiques (ex : Structuration des organisations de producteurs agricoles dans différentes régions d'Afrique, mise en réseau des chambres consulaires en Afrique francophone) ou encore la mise en place de politiques ou d'instruments régionaux (ex : Travaux pour la mise en place d'une facilitée régionale pour appuyer les fonds de lissage nationaux en Afrique de l'Ouest pour le coton).

Enfin, des initiatives ciblées sur certains secteurs sont mises en œuvre simultanément dans plusieurs pays, en association avec une institution régionale (ex : Développement d'indications géographiques dans 4 pays africains avec l'Organisation africaine de propriété intellectuelle²).

1. Algérie, Côte d'Ivoire, Djibouti, Ethiopie, Ghana, Guinée, Madagascar, Mali, Mauritanie, Sénégal, Cambodge, Vietnam. Cette liste initiale, de nature indicative, était susceptible d'évoluer. Ainsi ont pu être ajoutés le Laos et les Territoires Autonomes Palestiniens (TAP).

2. Projet en cours d'identification

Au niveau européen, la prochaine stratégie de l'UE déterminera des orientations spécifiques pour la prise en compte des besoins régionaux, notamment en matière d'intégration régionale. Elle fera aussi le lien avec les Accords de partenariat économique en cours de discussion avec les pays ACP et les besoins en aide au commerce qui pourraient découler de leur mise en oeuvre.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

La France partage la définition des catégories d'aide pour le commerce fournie par l'équipe spéciale de l'OMC.

De fait, outre les actions d'appui au développement du commerce, cela implique une analyse approfondie de l'ensemble des initiatives concrètes en direction des différents secteurs productifs, en faveur de la formation et de la recherche, des politiques publiques et de la gouvernance financière. Ce travail d'analyse est fait aussi bien pour les projets nationaux, régionaux que inter-régionaux.

Pour ce qui concerne l'intégration du commerce dans les stratégies nationales de développement des pays bénéficiaires, la France estime que celle-ci est souhaitable. Pour autant, elle considère que les projets répondant à l'une des six catégories définies, menés dans des pays qui n'ont pas encore intégré le commerce dans leur stratégie nationale de développement, constituent non seulement une aide pour le commerce mais participent au renforcement des capacités nationales pour la prise en compte du commerce dans les stratégies nationales de développement et/ou les DSRP (document stratégique de réduction de la pauvreté).

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

L'identification des projets ayant des composantes commerciales est faite sur la base des déclarations établies pour la base SNPC de l'OCDE et rassemble les projets concernés par les deux premières catégories de l'aide au commerce (« politique et réglementation commerciales » et « développement du commerce »).

Les projets du PRCC et ceux qui prennent la forme de subventions (actions bilatérales ou contributions aux fonds multilatéraux) sont comptabilisés en totalité alors que les prêts ne sont généralement assimilés que partiellement à de l'aide au commerce.

Concernant les projets d'appui au secteur productif, une analyse fine de chaque intervention permet d'identifier la part des actions et du budget ciblée sur les différentes catégories de l'aide au commerce. Ainsi, pour les projets de microfinance, on ne comptabilise en moyenne que 60% du montant du budget des actions au titre de l'aide au commerce.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

Par « engagements » nous comprenons « montants engagés ». Le profil fourni par la base de données TCDB pour les catégories « politique et réglementation commerciales » et « développement du commerce » ainsi que par le SNPC pour les catégories « infrastructures liées au commerce » (en prenant pour approximation les infrastructures économiques), « renforcement de la capacité de production » et « ajustement lié au commerce » (en prenant pour approximation le soutien budgétaire) sert alors de référence.

En milliers \$	2002	2003	2004	2005	Moy. 02/05
Politique et réglementation commerciales	7 109	15 341	14 549	8 716	11 429
Développement du commerce	153 517	91 948	55 454	95 420	99 085
Infrastructures économiques	129 968	257 888	344 404	570 635	325 724
Renforcement de la capacité de production	143 044	231 936	253 341	255 112	220 858
Soutien budgétaire	405 845	61 585	96 161	78 574	160 541

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

Lors de la Conférence ministérielle de Hong Kong, l'UE a pris l'engagement de porter son assistance technique au commerce, c'est-à-dire pour les catégories « politique et réglementation commerciales » et « développement du commerce », à hauteur de 2 milliards d'€ par an à partir de 2010, à raison de 1 milliard d'€ sur financements communautaires et 1 milliard d'€ sur l'aide bilatérale des Etats membres.

Naturellement, la France est partie prenante à cet engagement, tant sur la part communautaire dont elle est l'un des principaux contributeurs, que sur la part dévolue à chaque Etat membre. La stratégie européenne de l'aide au commerce en cours de finalisation constituera la feuille de route pour le suivi de cet engagement.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

L'objectif de la France à l'horizon 2010 s'inscrit dans l'accomplissement de l'engagement européen pris à Hong Kong, comme indiqué ci-dessus.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

La problématique « aide au commerce » est liée à la stratégie européenne en cours d'élaboration. Elle sera déclinée, de manière opérationnelle, en stratégies sectorielles (appui au secteur privé et développement rural pour l'essentiel) mais aussi géographiques (Documents cadres de partenariat et ses déclinaisons en axes stratégies pour l'AFD).

De plus, un travail de concertation interministériel (et en interne à l'AFD) sera engagé sur la base de la stratégie européenne pour identifier les priorités spécifiques à la coopération française. Le

document stratégique issu de cette concertation, après validation, fera l'objet d'un travail de sensibilisation et d'animation au sein des organisations concernées (modules de formation, animation de réseaux thématiques) et sur le terrain, afin d'informer, de mobiliser, de définir un cadre d'intervention opérationnel, de capitaliser sur les expériences et d'affiner les méthodes de suivi d'impact.

La programmation existe mais reste indicative car dépendante de la demande, cadrée par des programmations nationales (CSLP et documents cadre de partenariat), la division du travail à venir, les initiatives régionales, les priorités géographiques, les calendriers de mise en place des programmes et projets.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Le renforcement des compétences passe par la formation et l'information des agents intervenant sur les questions de commerce et de développement au niveau des administrations centrales et dans les représentations dans les pays bénéficiaires.

A titre d'exemple, en mai 2007, la Direction générale de la coopération internationale et du développement du Ministère des Affaires étrangères et européennes a organisé un atelier sur les Accords de partenariat économique au cours duquel la question de l'aide au commerce a fait l'objet de plusieurs présentations et débats. Cet atelier réunissait une quarantaine d'agents et assistants techniques des administrations centrales et des représentations locales. Par ailleurs, l'Agence française de développement (AFD) initie un module de formation par son institut de formation, le CEFEB, qui débutera en septembre 2007. De même, elle a initié un partenariat de recherche avec la Commission Economique pour l'Afrique visant à renforcer les capacités d'analyses en matière de politique commerciale.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

La France tente de conduire les pays partenaires à une meilleure prise en compte du commerce dans les stratégies nationales de développement (CSLP ou équivalent), notamment par le rôle des assistants techniques placés au près des Ministères compétents dans les pays partenaires. De plus, la France est engagée dans l'appui au Cadre Intégré Renforcé et financera pour partie le séminaire de présentation pour l'Afrique de l'Ouest et Centrale prévu en octobre 2007. Ceci devrait permettre le renforcement de la prise en compte du commerce dans les stratégies nationales de développement. Enfin, la stratégie européenne d'aide au commerce propose d'étudier les modalités pour développer une démarche similaire au cadre intégré dans les pays non-PMA. La France suivra de fait les initiatives engagées dans ce contexte.

Il est toujours préférable que les stratégies nationales de développement prennent en compte le commerce. Toutefois, lorsqu'une demande de la part du secteur privé, des organisations professionnelles notamment, est formulée en matière d'aide pour le commerce, la France estime que la présence ou non du commerce dans la stratégie nationale de développement n'est pas une condition *sine qua non* pour y répondre.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

La France a une tradition de dialogue et souhaite développer les plateformes de concertation d'expertise multiple. A titre d'exemple, elle étudie, actuellement un projet de soutien à la mise en place, dans un pays africain, d'une cellule associant chercheurs économistes universitaires et fonctionnaires pour renforcer l'analyse du contexte économique et mieux appréhender les impacts potentiels des décisions de politique commerciale. Ce projet, élaboré avec la Commission Economique pour l'Afrique, vise à être étendu et permettra de constituer un réseau d'économistes en commerce international.

Dans le cadre de la mise en place du Cadre Intégré Renforcé, la France animera, avec l'accord des autres bailleurs et des autorités nationales, le travail d'identification, de programmation et de suivi des projets avec les parties-prenantes, là où elle sera désignée comme facilitateur (ex : Burundi).

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Les programmes de la France s'inscrivent dans une programmation bilatérale sur 5 ans (document cadre de partenariat), avec des objectifs chiffrés. Ces documents sont discutés et signés avec les partenaires et reflètent donc les priorités des pays tout en prenant en compte les complémentarités entre donateurs.

En ce qui concerne les projets sur don ou les prêts souverains, les financements sont, sauf exception, inscrits dans les procédures nationales.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

La coordination des analyses et de la programmation de l'aide pour le commerce avec d'autres donateurs n'est pas systématique mais se développe, dans la mesure du possible.

Au niveau européen, un code de conduite et de division du travail a été adopté par le Conseil en mai 2007.

Au niveau français, un certain nombre de projets sont d'ores et déjà menés en liaison avec d'autres donateurs (CCI, CNUCED, Commission européenne, BasD, ONUDI, Banque mondiale...)

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

La France développe le financement de projets et programmes régionaux et multilatéraux, en particulier depuis 2006, lorsque le renouvellement du PRCC lui a permis de s'engager sur des projets

régionaux ou multi-pays et lorsque le Programme économique régional (PER) pour l'UEMOA a été engagé (20 M€ dont une large part d'aide pour le commerce). Un PER est en cours d'élaboration avec la CEMAC en coordination avec l'identification du futur fonds APE régional.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

Les objectifs en volume et les calendriers respecteront les engagements pris en 2006, pour 2010.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Les évaluations portent traditionnellement sur les réalisations, les résultats et les impacts à partir des indicateurs habituels. Les résultats seront évalués à l'aune de critères de croissance partagée et de développement, d'indicateurs de lutte contre la pauvreté et de genre, principalement.

La stratégie européenne en cours de finalisation prévoit un travail spécifique sur le suivi de l'aide au commerce pour affiner les mesures d'impact non seulement sur le commerce mais plus largement sur les composantes du développement durable.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Pour l'heure, aucune initiative concrète n'a été menée dans ce domaine. Cependant, dans le cadre de la stratégie européenne d'aide au commerce, de telles actions seront encouragées et devraient se développer.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Les évaluations pays et projets impliquent les partenaires, y compris pour les projets ayant des composantes d'aide au commerce. Une quinzaine d'évaluation pays est en cours actuellement.

GERMANY

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. *Do you have an aid-for-trade strategy and what are the key elements in this strategy?*
2. *How has this strategy evolved since the December 2005 WTO Ministerial Conference?*
3. *How does this strategy address regional aid-for-trade challenges?*

Answers to 1-3:

Germany does not have an individual strategy document on Aid for Trade. Trade is not a specific single sector of German development projects. Rather, trade-related elements encompass the key aspects of development cooperation in specific projects focusing on agriculture, business development, etc.

As an EU Member, Germany does support the Hong Kong commitments on increasing aid volumes for trade related cooperation (see Answer to question 7). There has been no specific strategy before the December 2005 WTO Ministerial Conference. By adopting Council Conclusion on Aid for Trade on October 16, 2006, the EU collectively decided to create a Joint EU AfT Strategy as a guiding document for both the Community and the Member States.

Germany sets a high priority on AfT delivery of a substantial share to ACP-countries, specifically in sub-Saharan Africa. In line with the Paris declaration, Germany strongly promotes regional elements of the upcoming Aid for Trade strategy. Furthermore, Germany is in the process of increasing bilateral cooperation with regional integration commissions and secretariats (SADC, EAC, ECOWAS, CEMAC, SAARC (t.b.c.)). Cooperation focuses on institution building and organizational development and addresses trade issues as a secondary field of cooperation. In light of Germany's support to EPAs, trade gains relevance specifically at African regional integration initiatives.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. *How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?*

Germany follows the recommendations of the WTO Aid for Trade Task Force and supports current efforts of the WTO and OECD in finding suitable definitions and establishing best practices. It is clearly important that all donors apply the same definitions of the "Aid for Trade" categories they refer to, and that these definitions make sense to beneficiaries and other stakeholders. The five

categories as identified by the WTO AfT Task Force are helpful in indicating the array of issues relevant to support the successful integration of developing countries into the world trade system, a number of issues still remain to be clarified. However, as presently defined, the categories allow for a lot of overlap between categories, as well as with more longstanding existing ODA categories such as infrastructure. And even with a clear definition, new modes of delivery such as general budget support complicate reporting.

The AFT Task Force report argues that projects and programmes should be considered as Aid for Trade if these activities have been identified as trade-related development priorities in the recipient country's national development strategies. This makes sense in ensuring that all trade-related needs of a country can be considered in programming, but if strictly applied it would make for very complicated reporting. Strictly ring-fencing aid for trade activities would only make sense in a situation where Aid for Trade needed to be distinguished from ODA. As this is not the situation, the rationale for distinguishing aid for trade activities from overall growth-promoting ODA is not evident. In addition, reporting in itself carries a cost, linked to the level of detail with which it is carried out. Finally, there is a risk of re-labelling all growth promoting development assistance as aid for trade, and this would run the risk of reducing the impact of the aid for trade initiative and increase scepticism about the potential of this initiative to effectively enhance developing countries ability to better benefit from WTO agreements.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Data is collected annually for reporting to the OECD/WTO TCBDB. The problem to overcome is that trade-related aid is rarely provided in a stand-alone approach but is rather a component of a larger programme. Consequently there is need to identify the amount of financial commitments allocated to trade on a case-by-case basis. Supported by GTZ, all potentially trade-related projects from the global list of German financial commitments in a given year (coming from the budget section in the German Ministry for Economic Cooperation & Development = BMZ) are checked against projects as reported on request by the individual implementing agencies. Project and Programme Advisors are then contacted to inform on the percentages spent for trade related activities according to the criteria and detailed descriptions provided by the OECD/WTO TCBDB. GTZ provides methodological support where needed and makes quality checks. Still, reports are to be considered informed estimates.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

According to the TCBDB we have provided the data to in the past, Germany's commitments are as follows, in the years indicated:

	2002	2003	2004	2005
Trade Policy and Regulations	8.960.000	12.834.000	16.885.000	22.336.000
Trade Development	63.156.000	90.069.000	68.425.000	90.555.000
Total (in USD)	72.116.000	102.903.000	85.310.000	112.891.000

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

At the December 2005 WTO Ministerial Conference the EU announced that it would provide 2 billion euro annually of trade-related assistance by 2010. At the time this pledge was made, the collective EU financial commitment referred to an understanding of AfT which was based on the functioning of the joint OECD/WTO database, i.e., focussing exclusively on the two categories Trade Policy & Regulations and Trade Development. Only later, the WTO AfT Task Force identified further categories of AfT. It is necessary to point out that the EU's commitment to strive to increase its TRA to € 2 billion per year by 2010 was made before the WTO Task Force recommendations widened the AfT scope to cover support for the AfT categories, including trade-related infrastructure, *building productive capacity* and trade-related adjustment.

In the CRS database, "trade development" and "building productive capacity" form one combined category, with similar CRS purpose codes. As a consequence, the AfT category *trade development* – as one part of the "twofold" collective EU commitment on TRA – is *de facto* a subset of another AfT category that – by pure definition – would not fall within the EU's explicit collective financial commitments. The EU, however, is also committed to provide an effective and locally-owned response to the wider AfT agenda by continuing and strengthening MS and Community support for demand-driven, pro-poor development strategies as a part of comprehensive programmes which would for instance also incorporate building productive capacities, trade-related infrastructure and trade-related adjustment. This is done with a view to further encouraging participation of other international donors and the private sector in such approaches .

Since the December 2005 WTO Ministerial Conference, the EU has not made any new financial commitments. Additionally, the strategy does not include new additional financial commitments.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Not applicable. According to the German budget system, it is legally impossible for the German Ministry for Economic Cooperation & Development (BMZ) to make financial plans for AfT beyond three years.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

- 9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?**
- 10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?**

Answers to 9-10:

The Joint EU AfT Strategy is expected to be adopted in October 2007. It will be communicated prominently at headquarters and to the field-level. Already now, Germany holds a strategic facility ("Monterrey Fund") amounting to 9 million euro to incorporate trade components into existing bilateral projects and programmes. The BMZ assesses bilateral, regional, and sectoral strategy documents with regard to trade issues. The respective department dealing with trade at the ministry is supported by a permanent team of trade advisors at GTZ and networks closely with other

implementing agencies on several topics such as TRIPS and EPAs. Information on trade issues is regularly updated. Research generated on the most acute aspects is commissioned by the Ministry. Results are shared with the relevant community. The BMZ and its technical strategic-conceptual projects conduct mainstreaming of trade issues in all internal and external relations. As trade is not a stand-alone focal area of Germany's cooperation, mainstreaming is naturally part of all activities both at the level of political dialogue with partners and in conceiving new programmes and projects.

EPA negotiations and the ongoing efforts to assess trade-related needs of ACP countries in connection with the implementation phase are currently providing a new background against which our TRA will be adjusted. Within the framework of the EU's Joint AfT strategy, a substantial share of new commitments will be dedicated to supporting the ACP countries and regions; Germany is supportive to this approach. Capacity has been growing incrementally over the first five years and is currently being expanded with regard to regional integration issues.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

- 11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?**
- 12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?**

Answers to 11-12:

Germany supports the Enhanced Integrated Framework Initiative as the main approach in LDCs and potentially to be extended to further countries with similarly weak institutional structures. Multi-donor programmes in the trade-area are generally the preferred instrument to deal with comprehensive needs assessments and strategies. Most of the current trade-components of German programmes work closely with the private sector and its organisations, the main focus being on building capacity to trade and on strengthening trade competencies at the institutional level. Support to enhancing the Public-Private-Dialogue on trade matters is regularly part of the German approach. In very few countries Germany has entered into a strategic dialogue on trade matters with partners yet but generally, such approaches would be strongly supported, for instance as part of the PRS processes.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

- 13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?**

At the regional level, Germany provides assistance to the planning and budgeting processes of partner organizations in several programmes. The trade components, if provided, are part of that process. Otherwise, where they exist, programmes are designed according to partners' strategies in the respective sectors, and the same applies to trade related assistance.

HARMONISATION

Refers to donors actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Donor alignment is as a principle established in each programme. In the area of trade, in several countries Germany is part of coordination efforts of donors (e.g. Zambia or Uganda) but the cases where such approaches exist at donor-level outside the IF are still rare.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

The WTO AfT Task Force recommended that capacity for diagnostics and preparation of AfT activities should be established at the regional level, preferably using existing institutions. Germany endorses this recommendation as it believes that support to regional integration is a key area of AfT. Programming. The same aid effectiveness principles should both apply at the national and at the regional level. However, there are also difficult challenges. Partner capacity tends to be very weak in regional organisations, as are the linkages with national strategies.

The partner country groups currently engaged in the process of preparing for Free Trade Agreements with the EU have significant potential to gain from regional arrangements in this context This is particularly the case for Economic Partnership Agreements (EPAs) with ACP countries, with regional support being developed to accompany EPA implementation and coordination with MS being enhanced through the Regional Preparatory Task Forces.

The EU has committed itself to strive to increase its trade related assistance with a view to reaching 2 billion € by 2010. It was agreed that a substantial share of this commitment will be devoted to ACP countries to support the EPA process. In this regard, Germany will increase its budget in line with its overall ODA commitments to meet the AfT commitment. At this stage, federal budgetary planning is in progress. Germany can only provide binding information on budgetary planning (e.g. EPA-related cooperation, contribution to regional funds, national AfT trends etc.) after the budget has been approved by Parliament. Furthermore, Germany is obliged to the Paris Principles on Aid Effectiveness.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Answers to 16-17:

Success of the Joint EU AfT Strategy will be measured collectively, at the EU level. Both EU Member States and the EU Commission will ensure that the Joint EU AfT Strategy will be properly pursued. At the EU level, there will be regular technical meetings in order to coordinate and specify follow-up activities at the various levels of intervention (national, regional and multilateral), to agree on a

process for monitoring progress and to identify the actors which will be responsible for taking forward activities. Progress in implementing the Joint EU AfT Strategy will be reviewed in the context of the EU Monterrey Reporting.

There is no special methodology applied to TRA currently, and programmes are monitored and evaluated for achieving the intended impact and results as part of the overall monitoring requirements that all ODA undergoes. In general, BMZ is applying for aid for trade projects and programmes the usual DAC principles, standards and evaluation criteria (relevance, effectiveness, efficiency, impact and sustainability). The methodology is adapted to the scope and content of projects and programmes. Outcome evaluations are the usual approach on project level, though theory-led evaluations are increasingly used. However, we feel that methodology of evaluating capacity development is still wanting.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Answers to 18-19:

See, in general, answers to question 14 and 17. There is no specific joint monitoring and evaluation of aid for trade projects and programmes with partners and other donors. Germany follows the fundamental principles of the Paris Declaration on Aid Effectiveness. Aid is increasingly delivered via joint program based approaches and budget support with other donors. Thus, also joint monitoring and reviewing procedures are applied. With regard to Aid for Trade, German reviewing takes place on an occasional case by case basis. Special schemes of reviewing will be further worked out in the coming mainstreaming process of Aid for Trade.

Greece

Greece is managing a comparatively small-size development co-operation budget which remains compressed, among others, due to national budgetary constraints. Individual strategies are not, therefore, easy to be prepared along thematic lines only, and be respectively accompanied by a ring fenced amount out of the total development co-operation budget. More attention is paid, rather, to increasing concentration of aid to a limited number of sectors and, thus, increasing effectiveness of aid within the programming of available resources. In that sense, Greece deems it cannot provide systematically appropriate replies to the questionnaire compiled by the OECD and WTO.

Notwithstanding the limited development co-operation resources, Greece recognises the role Aid-for-Trade activities play in developing trade-related capacities and, consequently, in sustaining growth and reducing poverty. It is in this vein that Greece will reflect on ways to integrate an Aid-for-Trade Strategy and related activities in its second multi-annual programme.

To date, Greece has been financing individual activities in the area of building productie capacity, and, more specifically, in business support services and institutions, banking and financial services, agriculture and tourism, public-private sector networking, and trade promotion strategy and implementation. The absence of a properly formulated Aid-for-Trade Strategy per se does not diminish, in Grec's opinion, the positive impact individual trade-related activities have had in the transformation of the economies of its developing partners (list of Greece's trade-related activities in 2006, sent electronically to OECD and WTO on 25.7.07 upon request of their statistics services).

IRELAND

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Ireland's trade strategy *Trading for Economic and Social Development* published in June 2005 outlines the National Agenda for Developing Countries in this context. It underlines the commitment of the Irish Government to trade capacity building for less developed countries. Aid-for-Trade is addressed in Ireland's *White Paper on Irish Aid* which was published in September 2006. Irish Aid is the Government of Ireland's programme of assistance to developing countries and the White Paper maps out priority areas of work for Irish Aid into the future.

It is planned to develop an Aid-for-Trade strategy in the coming year. To help ensure complementarity between and amongst EU member states, it is proposed to base this strategy on the framework which it is anticipated that the EU Aid for Trade Strategy (to be agreed in the Autumn) will provide for aid-for-trade activities by EU members. Ireland's planned strategy will focus on core agencies, geographical areas and meeting agreed commitments.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Since the December 2005 WTO Ministerial Ireland's approach to overseas development assistance has seen a great focus on the area of Aid-for-Trade. Ireland is committed to ensuring that we play our part in the EU meeting its pledge of collective MS and EU expenditure of €2 billion per annum on Aid for Trade by 2010. In the *White Paper on Irish Aid* Ireland gave a commitment to increasing funding for multilateral 'Aid for Trade' initiatives. The *White Paper* also highlighted the importance of support for the private sector in our programme countries.

3. How does this strategy address regional aid-for-trade challenges?

The *White Paper on Irish Aid* highlighted the importance of supporting closer regional economic cooperation between developing countries, particularly in Sub-Saharan Africa. Regional level engagements will be further assessed in Ireland's planned Aid for Trade strategy, mentioned previously under 1 above.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

We adopt the WTO Task Force's definition of aid-for-Trade. However for the purpose of reporting in respect of the EU's pledge on Aid-for-Trade announced at the December 2005 WTO Ministerial Conference we use categories [a] trade policy and regulations (incl. trade facilitation); and [b] trade development.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Having regard to the WTO Task Force definition of aid-for-trade, where a project/programme is multisectoral we apply a weight of 100%, 75%, 50%, or 25% depending on the trade element of the project/programme.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

Category	2002	2003	2004	2005
Trade Policy and Regulations	€896,076	€259,000	€575,990	€1,002,000
Trade Development	€440,440	€327,000	€424,484	€2,344,239
Building Productive Capacity	€11,747,436	€10,898,013	€12,413,971	€13,636,519
Trade Related Infrastructure	€5,216,887	€4,331,934	€5,500,000	€3,388,198
Total	€18,300,839	€15,815,947	€18,914,445	€20,370,956

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

The *White Paper on Irish Aid* published in September 2006 contains a commitment whereby Ireland will substantially increase its multilateral Aid for Trade initiatives.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Having increased our spending on Aid-for-Trade in line with the EU commitment in this regard, Ireland would propose to review our Aid-for-Trade spending in 2012 with a view to deciding on how best to continue to meet the demands of developing countries in this area in the following years.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

The key principles outlined in the *White Paper on Irish Aid* guide our Aid-for-Trade spending, namely, a focus on poverty, working in partnership with developing countries, ensuring that our efforts are sustainable in the long term and keeping our aid untied.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Ireland keeps Aid-for-Trade capacity under review. In-house aid-for-trade expertise comprises both administrative and technical specialist personnel who work together to link Aid-for-Trade policies and operations.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

Traditionally Ireland has not been a major bilateral donor in the area of trade.

Our Country Strategy Plans are aligned to national development strategies but are flexible to shift if development strategies lack a trade component e.g. by having regard to trade elements of annual budgets and budget speeches.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

Stakeholders in our programme countries are engaged as part of Poverty Reduction Strategy or National Development Strategy reviews.

Since 2004 Ireland has supported the Agency for International Trade Information and Cooperation in Geneva which promotes policy dialogues on aid-for-trade among stakeholders from developing countries.

ALIGNMENT

Refers to donors basing their overall support on partner countries, national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Yes, but without adopting a prescriptive approach e.g. by having regard to trade elements of annual budgets and budget speeches.

HARMONISATION

Refers to donor' actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

As a signatory to the Rome and Paris Declarations we support joint analysis and programming approaches. Given that we are not currently the lead agency in any country we most often contribute through sector programmes or delegated co-operation.

We also see the potential for greater co-ordination of aid-for-trade analyses and programming with other donors at country level in the context of the planned EU Aid-for-Trade strategy and recent EU Conclusions on Complementarity and Division of Labour.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Yes – Ireland’s White Paper on Irish Aid includes a commitment to increase funding for multilateral Aid for Trade initiatives. It also includes a commitment to support the development of closer regional cooperation between developing countries, particularly in Sub-Saharan Africa.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

With regard to our multilateral Aid for Trade spending we would have annual objectives and timeframes. We measure success by liaising closely and meeting with the multilateral bodies which we support, attending relevant donor meetings organised by these bodies and reviewing financial and other reports produced by these bodies, including reports particular to specific projects which we would support within their broader programmes.

Ireland is also a member of the joint venture of the OECD DAC Managing for Development Results Group.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Ireland is a member of the Nordic Plus Group and uses a mixture of the evaluation methodologies as set out by that Group. These basic evaluation guidelines are contained in *Looking Back Moving Forward* published by SIDA (Swedish development agency).

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

With regard to our multilateral Aid for Trade spending we cooperate with other donors in joint monitoring and evaluation of aid-for-trade projects and programmes e.g. Ireland is currently actively involved in preparations for an evaluation of the Agency for International Trade Information and Cooperation.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Ireland has submitted information to the WTO/OECD Trade Capacity Building Database since its inception. Ireland also supplies information on its Trade Related Assistance to the Monterrey report on EU progress on financing for development and aid effectiveness.

ITALY

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Italy took part in the debate that led to the EU Aid for Trade Strategy. Our own strategy will thus be developed according to the general principles that have been agreed within the EU, with special emphasis on *aid to local trade*, local infrastructure, development of rural products and training.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

As said above, the Italian strategy will be consistent with the EU strategy. We are in the process of further elaborating this strategy with a special focus on programs of *aid to local trade*, as a precondition for the development of regional integration and international trade.

3. How does this strategy address regional aid-for-trade challenges?

Italy will address regional challenges consistently with the EU approach.

An example of our regional aid-for-trade approach is the programme aiming at the creation of a regional network to support family enterprises producing coffee in Central America and the Caribbean. This programme will help the countries involved to define a new strategy for both trading and marketing the coffee production. The general idea is to support both quality and the production of typical regional products.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

We use the definitions evolved in the international context, and we adhere to the principles of the EU Strategy, with special focus on aid to local trade.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

This issue is under examination and still has to be decided.

COMMITMENTS

- 6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?**

Italy had no commitments for the period mentioned above.

PLEDGES

- 7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.**

Italy has accepted the EU goal to devote 2 billion USD per year to aid-for-trade by 2010, of which one billion provided by the EC, and the other one by the 27 Member States. The contributions of the Member States have not yet been defined.

- 8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?**

The issue is under consideration in the framework of our medium term planning for development cooperation.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

- 9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?**

We are working to integrate aid-for-trade in our general development strategy, both at the headquarter and in partner countries.

- 10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?**

The matter is under consideration in the framework of the reorganisation of the Directorate General.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

- 11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?**

Protocols regulating bilateral development assistance are negotiated on a case by case basis. Italy always tries to ensure the full ownership of the recipient country as envisaged in the Paris Declaration on Aid Effectiveness which Italy signed and fully support.

- 12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?**

Support to policy dialogues is ensured mainly through voluntary contributions to multilateral organisations, notably the ITC (International Trade Centre) and the EIF (Enhanced Integrated Framework).

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

According to the Italian national law regulating development aid assistance, projects and programmes are eligible to public financing only upon a specific request of assistance by the recipient country. To take into account the partner countries' policy planning is mandatory for every projects or programmes financed by the Ministry of Foreign Affairs.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

The Italian Development Cooperation is currently undergoing a re-organization and a strengthening process of its presence at country level. Lack of coordination with other donors was amongst the key issues to address in this re-organization.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Italy is considering increasing funds for Regional and Multilateral programmes, on condition that their effects on poverty reduction can be properly verified.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

A comprehensive and coherent strategy is still under formulation. At the moment, it is too early to undertake a serious and thorough process of success measurement.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Evaluation methodologies for aid-for trade do not differ from those adopted to evaluate other development programmes. Italy is closely following the debate within the EU on the proposals of the OECD working party to amend the CRS to facilitate monitoring of Aid for Trade flows.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Not at the moment. Proposals of joint evaluations of projects and programmes are being considered, but they are not specific to aid-for-trade.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Italy participates, within multilateral fora, to discussions on how to develop a sound and effective aid-for-trade policy. Short-term or mid-term review of the Italian aid-for-trade policies are yet to be undertaken.

JAPAN

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

In order for developing countries to reap further benefits from the multilateral trade system, trade liberalization alone is not enough. Enhancing capacities in supply side and encouraging assistance for that purpose would also be indispensable.

This belief is enshrined in Japan's ODA Charter, established in 1992 and revised in 2003. Underlining the critical role of trade and investment in national development, the Charter stipulates that, "in order to invigorate developing countries' trade and investment, as well as people-to-people exchanges, and to support sustainable growth, Japan will place importance on providing assistance for the development of socioeconomic infrastructure - a key factor for economic activity, and also for policy-making, the development of institutions, and human resources development".

For many years, Japan has been making an important contribution to economic sectors, through technical and financial assistance in the production sector and the economic infrastructure & service sector. According to the OECD/DAC ODA data base by sectors, Japan has been the first among the DAC member countries in the amount of aid in the production sector (Sector III) and the economic infrastructure & service sector (Sector II). Japan alone provided almost half (47%) of the total amount of the aid given by the DAC member countries in these sectors between 1990 and 2004. In the agriculture, fishery and forestry sector (Sector III.1), Japan also contributed almost 40% of the total ODA provided by the DAC member countries. As for the share of these sectors in the total ODA of each country, Japan, with more than 60%, outnumbers by far other member countries, whose shares range from 20 to 30%. This data reflects the fact that Japan attaches importance to development through trade in its assistance policy, especially as a part of the poverty reduction strategy through economic growth.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Japan announced a new development strategy called the "Development Initiative for Trade" (DIT), prior to the WTO Hong Kong Ministerial Conference held in December 2005. This initiative, based on the Japan's experience and knowledge in this field, is aimed at promoting the empowerment of developing countries and helping them reap the benefits of the multilateral trading system through such means as the Global One-Village One-Product (OVOP) Campaigns (*see attached documents*).

This Initiative consists of three different stages of trade: "Produce", "Sell", and "Buy". When it comes to trade, first it is necessary to "Produce" goods. Next, the goods need to be delivered to ports and markets. This is the "Sell" stage. Finally, the goods will be purchased by consumers in overseas markets. This is the "Buy" stage. In order to facilitate these activities at the three stages, Japan provides assistance through all available resources and measures, namely "knowledge and technology", "people", "financial assistance", and "system".

Since the launch of this initiative, Japan has been implementing it steadily, regardless of the progress of the DDA negotiation. Japanese Embassies, overseas offices, and relevant public entities in developing countries have been instructed to search for and identify suitable projects to be developed under this initiative.

From the end of June to the beginning of July 2007, Japan dispatched a high level mission headed by Ambassador Extraordinary and Plenipotentiary for International Trade and Economic Relations to Madagascar, Kenya, and Zambia. Exchange of views with both trade and development officials were extremely useful in sharing the importance of trade in development in the context of each of the three countries and how the Japanese contributions fit the needs of each country.

3. How does this strategy address regional aid-for-trade challenges?

Japan provides its assistance, giving consideration to the needs for assistance and the state of development in each region. Accordingly, in the context of AFT, Japan addresses regional challenges; as for Asia, for example, such challenges could include (1) enhancing development efforts of countries of relatively lower level of development, in particular LDCs, (2) realizing successful regional integration within Asia and the Pacific, and (3) making the most of Asia's experience of economic growth through trade for realizing prosperity of the world.

Moreover, Japan focuses on the following four key points in order to provide assistance to African countries: (1) formulation of an appropriate policy for establishing an industrial foundation, (2) product development with a focus on improving quality to increase competitiveness, (3) empowerment of small and medium-size local enterprises generating income and employment in local communities, (4) promotion of a social contribution by private enterprises prompting equitable growth.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

Under the DIT, Japan provides, in a comprehensive manner, an effective assistance to facilitate activities at the three stages, "Produce", "Sell", and "Buy", through all available resources and measures, namely "knowledge and technology", "people", "financial assistance", and "system". Thus, Japan conceptualizes AFT as a comprehensive package of extensive development assistance, covering all three aspects, which may not necessarily be confined to certain restricted sectors.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Japan implements its commitments on Aid-for-Trade based on requests from developing countries, taking their development strategies, plans, and priorities into consideration. The AFT share is determined *ex-post* through such procedures on a project by project basis.

COMMITMENTS

6. *According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?*

Without prejudice to Japan's point of view on the definition of AFT described above (see paragraph 4), for the sake of tracking global AFT flows, proxies of Japan's AFT volumes can be covered by the OECD Creditor Reporting System (CRS) under its headings: (1) trade policy and regulations; (2) economic infrastructure; and (3) building productive capacity. (It is of Japan's view that it is not appropriate to count "general budget support" as a component of proxies of AFT volumes, since "general budget support" is usually un earmarked contributions to the government budget.)

See attached sheet.

PLEDGES

7. *Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference?*

Under the DIT, Japan expressed its commitment to provide duty-free and quota-free market access for essentially all products originating from all LDCs. This initiative also includes a package of extensive development assistance, which is composed of four methods of support, "Knowledge and Technology", "Financial Assistance", "People" and "System" to be employed at three different phases of trading by developing countries: "Produce" "Sell" and "Buy". In this initiative, Japan announced that ten billion US dollars in financial assistance in trade, production, and distribution infrastructure will be provided over the period 2006 – 2008 and that there will be an exchange of a total of ten thousand trainees and experts in these fields during the same period.

8. *What is your medium-term (beyond 3 years) financial plan for aid-for-trade?*

See question 7.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. *How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at headquarters and in-country?*

Japan's country assistance strategy for each partner country is formulated on the basis of Japan's ODA Charter, which places high priority on support for promotion of trade and investment. Following the announcement of the DIT in December 2005, Japanese overseas embassies, offices, and relevant public entities have been instructed to work closely with partner countries to address in-country AFT challenges. This ensures that AFT is effectively integrated into Japan's overall development strategy and programming both at headquarters and in-country.

10. *Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?*

The Government of Japan has an inter-ministerial mechanism for ODA policy coordination including in the area of AFT. At an agency level, a task force on Private Sector Development was established in

JICA in 2003 in order to consolidate knowledge and experience on support for private sector, taking into account the crucial role played by private sector in trade and investment. As a follow-up to the DIT, the task force drew up operational guidance on Aid-for-Trade and investment to facilitate implementation of the sector strategy.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

Ownership by developing countries is an indispensable element for the success of AFT. Japan fully respects each developing country's development strategy, which usually places emphasis on trade development components, namely economic infrastructure development and building productive capacity.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

In in-country consultations on PRS and other development strategies, Japan encourages stakeholders in partner countries to place economic growth components, including trade development, as a main pillar in their strategies.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Japan aligns its assistance with partner countries' operational policy and budget framework as much as possible.

HARMONISATION

Refers to donor, actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Japan coordinates ODA analyses and programming, including those of AFT, with other donors at the country level, in the framework of various donors' consultations.

15. Are you increasing the amount of aid-for-trade for regional and or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Japan strongly supports multilateral assistance related to AFT in particular through the Integrated Framework Trust Fund. Japan disbursed 180,180 US dollars to the Fund in the fiscal year 2006. Japan will contribute 169,492 US dollars to the Fund for the fiscal year 2007.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving design making for results.

16. What objectives and timeframes do you set for your aid-for-trade projects and programmes? How do you measure success?

Although the commitment regarding financial and technical cooperation under the DIT is to be realized over the period of 3 years (2006-2008), it will take much longer period for developing countries to attain concrete development outcomes of Aid-for-Trade. Therefore, continuous efforts should be made in accordance with the pace and pattern of each country's development. Such progress would be assessed at country level through monitoring and making an evaluation according to the objectives of each project and program. Assessment is, in general, carried out with particular emphasis on whether its assistance policies are consistent with the needs of developing countries, whether these policies have been effective, and whether assistance is provided through appropriate implementation processes.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Aid-for-Trade programmes or projects are assessed by a general ODA evaluation methodology which mainly focuses on 3 criteria: relevance, effectiveness of results, and appropriateness of processes. For projects, 5 DAC criteria (Relevance, Effectiveness, Efficiency, Impact, and Sustainability) should basically apply.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

ODA projects, including projects related to Aid-for-Trade are evaluated (i) by third-party experts, (ii) by joint evaluation by members of third-party evaluation and external organizations, such as other donors and NGOs, and (iii) by the Ministry of Foreign Affairs itself. The number of joint assessments has been increasing in order to encourage ownership of the partner countries and to increase transparency and accountability.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Japan shares, with partner countries and development partners, the information on the process assessment of our programs and projects, including those related to Aid-for-Trade, with a view to promoting and ensuring accountability.

LITHUANIA

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

The development co-operation policy of the Republic of Lithuania is based on the values, principles and recommendations set out in the joint statement by the Council of the European Union, the European Parliament and the European Commission on European Union Development Policy “The European Consensus”, which was approved by the General Affairs and External Relations Council on 21-22 November 2005.

Lithuania affirms as its own the international commitments of the European Union, enunciated in the 2000 Millennium Declaration of the United Nations, the 2002 Monterrey Summit, the 2005 Johannesburg Sustainable Development Action Plan and the 2005 Summit to Review the Millennium Development Goals as well as “EU Strategy on Aid for Trade: Enhancing EU support for trade-related needs in developing countries”. This strategy is the document, which Lithuania will follow in its Aid for Trade process.

One of the key elements for us in this strategy is that the Strategy is based on Aid for Trade needs prioritised by partner countries, it also identifies modalities for coordination and response at various geographical levels as well as proposes ways to strengthen EU capacity in general to deliver and monitor Aid for Trade.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

After the December 2005 WTO Ministerial Conference the Government of the Republic of Lithuania adopted resolution No 561 “On the approval of the Development Co-operation Policy Guidelines of the Republic of Lithuania for 2006-2010” in which Aid for Trade, referring to the EU Council Conclusions on Aid for Trade, takes an important part.

3. How does this strategy address regional aid-for-trade challenges?

“EU Strategy on Aid for Trade: Enhancing EU support for trade-related needs in developing countries” is an important instrument in supporting regional integration and promoting regional co-operation and capacity building in trade-related matters of regional interest, for example, training officials on how to make a successful customs reform.

Eastern European and Central Asian countries are priority countries for Lithuania in providing trade related assistance. Most of our neighboring countries and Central Asian countries need access to the basic infrastructure that drives development — transport corridors and telecommunications networks that can connect exporters to world markets; modern customs facilities that can move products rapidly and efficiently across borders; testing labs to ensure that exports meet international

standards; and the sophisticated expertise and institutions needed to navigate a complex world trading system.

Lithuania will pay particular attention to the regional Aid for Trade challenges of this region.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. *How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?*

Aid for Trade is a part of efforts to increase developing countries' participation in global as well as regional trade. Projects related to trade policy and regulation, trade development, building productive capacity, trade related infrastructure and trade related adjustment are broadly considered as trade related assistance.

METHODOLOGY

5. *How do you allocate the aid-for-trade share in individual projects and programmes?*

It is very important for us that while working with trade-related assistance, all trade-related areas would be considered. We separate projects which fall under above mentioned Aid for Trade categories from general – Development cooperation - category.

COMMITMENTS

6. *According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?*

Lithuania started regular development cooperation activities in 2006, when the Government of the Republic of Lithuania adopted resolution No 561 „ On the approval of the Development Co-operation Policy Guidelines of the Republic of Lithuania for 2006-2010“.

In 2005, 8 projects in total sum of 378 260 LTL (133.660 \$; 109.640.214 €) were allocated to bilateral development aid. 3 projects fell under Aid for trade category – Trade Policy and Regulations, Trade Policy and administrative management, CRS code 33110, in total sum of 251.000 LTL (88.692 \$; 72.753 €).

PLEDGES

7. *Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.*

Since the December 2005 WTO Ministerial Conference Lithuania's pledges were:

a) First contribution to the Doha Development Agenda Global Trust Fund - 100.000 LTL (40.983 \$; 28.985€) in 2006.

The second contribution to DDA Global Trust Fund - 468.000 LTL (~~191.803 \$~~; 135.652 €;) in 2007, when the Regional workshop on Trade Facilitation for Central and Eastern European countries as well as Central Asian countries was organized in June, 2007

b) Below is a table of Lithuania's commitments since the December 2005 WTO Ministerial Conference:

Commitments in US\$ thousands, 2004 constant prices

	2002	2003	2004	2005	2006
Trade Policy and Regulations	--	--	--	88 692	81 892
Economic Infrastructure	--	--	--	--	94 521
Building Productive Capacity (incl. Trade Development)	--	--	--	--	28 421
Trade-Related Adjustment	--	--	--	--	--

Being part of the EU, Lithuania will contribute to the joint EU commitment to increase EU's trade related assistance to 2 billion €/ year by 2010.

Lithuanian Government has made development cooperation one of the priorities. Development cooperation budget has been tripled since last year (2006) from 2.44 million LTL to 9 million LTL (2007) and Lithuania will continue to attach great importance to Aid for Trade issues.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

The implementation of development co-operation policy, where Aid for Trade takes an important part, in Lithuania is based on the guidelines indicated in the resolution „ On the approval of the Development Co-operation Policy Guidelines of the Republic of Lithuania for 2006-2010“, United Nations Millennium Development Goals and EU Strategy on Aid for Trade recommendations.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Recently, Lithuania strengthened its in-house Aid for Trade related expertise by:

- establishing a department of Development Cooperation and Democracy Promotion at the Ministry of Foreign Affairs of the Republic of Lithuania;
- creating a trade related assistance expert's position at the Foreign Trade Policy Department of MFA.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

We encourage recipient countries to create a strong trade development component in their national development strategies through numerous bilateral and regional contacts.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

It is very important that international trade and its links to economic growth and poverty reduction would be seen in a broader perspective and that trade policy would be implemented as a part of a country's broader agenda to reduce poverty.

Lithuania promotes the cooperation of Lithuania's non-governmental organizations with counterpart non-governmental development cooperation organizations in donor and partner countries.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Although Lithuania's development cooperation policy's priorities are sometimes different from the partner countries', their policy planning and budget framework is important to us while planning our Aid for Trade programme.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

At the present these activities are limited. We recognize the need for a better coordination of Aid for Trade analysis and programming with other donors, especially our counterparts in the EU.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Lithuania is planning to increase the amount of the regional programmes of Aid for Trade.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

As for the development cooperation in general, Lithuania has two kinds of projects and programmes: small contribution (up to 10 000LTL and up to 1 year), and bigger contribution (from 150 000 LTL to 300 000 LTL and up to 1 year). We will be aiming at the bigger projects for a longer period of time.

Success is measured through the project's or programme's results, long term impact and the whole process.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Lithuania uses its own projects' evaluation tool; however, there is a plan already this year to start using one of the internationally recognized tools for designing change processes, monitoring progress and evaluating impact of Aid for Trade projects.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

We are planning to develop a framework for monitoring and evaluation of Aid for Trade activities. This will include closer cooperation with partner countries and other donors.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

We are seeking to fulfil Aid for Trade policy effectively and for that matter we are consulting with other donor countries and taking over their best practices. We also provide timely, transparent and comprehensive information to the appropriate institutions and organizations.

Luxembourg

QUELLE EST VOTRE STRATÉGIE EN MATIÈRE D'AIDE POUR LE COMMERCE?

Malgré le fait que la part du revenu national brut dédiée à l'aide publique au développement place le Luxembourg parmi les plus importants bailleurs, il reste un des plus petits bailleurs en termes absolus. La recherche d'efficacité et la nécessaire concentration de cet effort expliquent le nombre limité de secteurs et de pays dans lesquels opère la coopération luxembourgeoise. Ainsi, la Coopération agit essentiellement dans les secteurs sociaux dans dix pays partenaires dits privilégiés. Nombre de projets bilatéraux, exécutés par l'agence Lux-Development ou par des ONG agréées comportent des éléments contribuant au développement du commerce dans le sens élargi du terme (cf. les statistiques du SNPC que l'OCDE fournira). Par contre, il n'existe pas de stratégie ou de programme luxembourgeois entrant dans la définition stricte de l'aide pour le commerce telle que communément admise par l'OMC.

Le Luxembourg compte remplir ses engagements européens et internationaux via les actions de l'Union européenne dans ce domaine. Dès 2005, en amont du sommet du G8 à Gleneagles, l'UE a annoncé une contribution annuelle d'un milliard d'EUR en provenance du budget communautaire, doublée d'un accroissement graduel des contributions des Etats membres devant atteindre un milliard également dès 2010. Ces fonds sont additionnels à l'APD déjà consentie et participent par conséquent à l'accroissement de celle-ci, accroissement décidé par l'UE sous présidence luxembourgeoise en 2005 également.

QUEL EST LE MONTANT DE VOTRE CONTRIBUTION AU TITRE DE L'AIDE POUR LE COMMERCE?

Pour remplir ses obligations en matière d'aide au commerce, le Luxembourg a versé en 2006 la somme de EUR 450.000.- (exclusivement destinée au Fonds global d'affectation spéciale (FGAS) pour le programme de Doha) et décidé de porter graduellement ses contributions à EUR 2 millions par an dès 2010. Une accélération de cet accroissement a entretemps été décidée, de sorte que l'effort luxembourgeois atteindra les EUR 2 millions dès 2007, répartis entre le FGAS (EUR 500.000.-) et le nouveau cadre intégré renforcé (CIR) de l'OMC en faveur des pays les moins avancés (PMA) (EUR 1,5 millions).

Dès la conclusion des accords de partenariat économiques (APE) entre l'Union européenne et ses partenaires des pays ACP et la mise en place de fonds régionaux destinés à financer des actions d'accompagnement, la Coopération luxembourgeoise prévoit une contribution au fonds régional pour l'Afrique de l'Ouest.

Le Luxembourg a donc sensiblement augmenté ses contributions en avance sur ses engagements au niveau de l'UE et vis-à-vis de l'OMC.

MALAWI

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. *What priority is accorded to trade development in your country's economic growth/national development/poverty reduction strategy?*

The Malawi Growth and Development Strategy (MGDS), the current medium-term strategy of the country, aims to create wealth through sustainable economic growth and infrastructure development as a means of achieving poverty reduction. The overall aim of the MGDS is to achieve the (trade-related) vision of the country 'to transform the country from a predominantly consuming and importing country, into a predominantly producing and exporting country'.

2. *Do you have a government-wide trade development strategy and if so what are its main priorities? What time period does it cover?*

The MGDS whose time period is from 2006 to 2011, provides the overall development strategy of the country. The main priorities are agriculture and food security, irrigation and water development, transport infrastructure development, energy generation and supply, integrated rural development and prevention and management of nutrition disorders, HIV and AIDS.

There are however, some trade-related documents in use such as, the Integrated Trade and Industry Policy (which needs updating), the Malawi Economic Growth Strategy (MEGS), the National Export Strategy (NES) the Diagnostic Trade and Integration Study (DTIS) and the Private Sector Development (PSD) Strategy. These documents identify the supply-side constraints that the country faces and provide recommendations on how to address these constraints. These documents in addition to the current work being undertaken on mainstreaming trade would form the basis for the development of a government wide trade development strategy.

3. *Does your trade development strategy specify aid-for-trade needs?*

Once formulated, the trade development strategy will specify supply-side constraints that would need to be addressed through technical assistance initiatives such as the Aid for Trade programme.

4. *What are the main trade development challenges and opportunities you face which require collaboration with other countries in your region? Are these addressed in your trade development strategy?*

The main trade development challenges requiring regional collaboration are those related to supply response (particularly dealing with issues of productivity, quality and competitiveness), trade facilitation infrastructure, standards development and enforcement, capacity at enterprise and institutional level, policy challenges and technology development. The main opportunities are utilisation of abundant labour forces, establishment of regional product clusters along comparative advantage principles and regional integration.

HOW MUCH AID-FOR-TRADE DO YOU RECEIVE?

5. **Have you costed your trade development strategy? What percentage of your trade development financial requirements do you expect to be funded by ODA?**
6. **Which activities do you consider are supporting your trade development strategy? Accordingly, how much aid-for-trade have you received by category for the period 2002-2005, and in particular in 2005?**

Although there is currently no trade development strategy, the country has been/is receiving technical assistance in areas that do support the national development strategy and the countries trade objectives. These include notably, assistance for Economic Partnership Agreement (EPA) negotiations, forum, assistance through the Integrated Framework (IF) and Joint Integrated Technical Assistance Programme (JITAP) and a number of programmes to assist the private sector.

Summary of trade-related assistance covering period 2005.

Area of support	Time	Amount	Donor Agency/ Partner
Institutional support and capacity building (Funding for a Senior Trade Policy Advisor within Ministry of Trade)	2005-2006	EUR 240,000	European Commission
Trade policy support for Ministry of Trade and other national stakeholders.	2005-2007	USD 524,000	Integrated Framework Trust Fund (WB, IMF, UNCTAD, ITC, WTO, UNDP)
Support to Malawi Bureau of Standards (Standards, Quality Assurance, Accreditation and Metrology) project	2005-2007	USD 476,000	Integrated Framework Trust Fund (WB, IMF, UNCTAD, ITC, WTO, UNDP)
Capacity Building for Multilateral Trading System	2003-2007	USD 600,000	JITAP Trust Funds (ITC, WTO, UNCTAD)
Business support services (Deepening the Microfinance sector in Malawi)	2004-2007	USD 3,477,056	USAID
Trade policy administrative management (Support to National Action Group Secretariat)	2005-2007	USD 179,473	USAID

Source: Ministry of Industry and Trade

7. Describe any key trade development priorities that are constrained by lack of donors' funding?

Several of the supply side constraints as highlighted in the Diagnostic Trade and Integration Study (DTIS) and its Action Matrix are currently under funded or not funded at all, these range from support for customs modernisation, support for development/ rehabilitation of internal and regional transport links, standards development and enforcement, institutional capacity building, issues of productivity and quality and skills development.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

- 8. Describe the internal governmental coordination process to prepare your trade development strategy.**

Although there is currently no trade development strategy, the proposed developed of such strategy would replicate the coordination processes that led to the development of the NES and the MGDS. This would firstly involve consultation at the government level followed by consultations with key private sector and civil society stakeholders and development partners.

OWNERSHIP

Refers to partner countries exercising effective leadership over their development policies and strategies and coordinating development efforts.

- 9. What needs assessment tools do you use to formulate your trade development strategies (do you use diagnostic studies, e.g. such as those prepared under the Integrated Framework?)**

The needs assessment tools that would be used to formulate the trade development strategies are the documents already available as highlighted in Question 2. In addition to these documents further consultations would be undertaken as described in Question 8 above.

- 10. How do you involve key stakeholders (including the private sector and civil society) in the identification of your trade development challenges and opportunities?**

Private sector and civil society are engaged in a number of national forums, the main trade forum being through the National Working Group on Trade Policy (NWGTP).

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

- 11. Are external partners using your policy planning and budgeting framework as a basis for their aid-for-trade support?**

[Answer is for general aid support]

The main government planning and budgeting documents at the Macro Level are; Malawi Poverty Reduction Strategy (MPRS), Malawi Growth and Development Strategy (MGDS) and the Public Sector Investment Program. At the sectoral a number of Sector Wide Approaches (SWAPs) have been developed in the areas of Health, Education, Agriculture and the Road Sector.

A significant proportion of support to Malawi is deemed extra-budgetary. Extra budgetary projects (loans and grants) are those whose finances are not directly managed by a Government institution. For example in 2006/07 about 31% of the project expenditure was done outside the budget framework. In monetary terms this amounted to K16.3 billion. In 2007/08 about 23% of the donor expenditure is expected to be extra-budgetary. Most project and program loans are channelled through the budget; however the problem is with project grants which are channelled outside the budget.

12. How well do aid-for-trade flows reflect your government's trade development priorities and what aid management information system do you use?

[Answer is for general aid support]

Prior to the formulation of the Development Assistance Strategy (DAS) which should assist operationalize the Paris Declaration in Malawi; most of the development assistance to Malawi was poorly aligned to key national development programs. Since the formulation of the MGDS and the DAS more development partners have aligned their aid program with the MGDS. Examples are the World Bank Country Assistance Strategy, the Africa Development Bank Country Strategy Program, the United Nations Development Assistance Facility (UNDAF) as well as support from the Department of Foreign and International Development (DFID) and the Norwegian assistance strategy.

The government is using the Commonwealth Secretariat Debt Recording Management System (CS-DRMS200+). The CS-DRMS is mainly used for capturing external loans, the system has the ability to manage grants however due to lack of data and non-reporting by donors on project grant disbursements the grant module of the CS-DRMS has not been activated.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

13. How do you encourage external partners to coordinate their trade related analyses and programming? Where, if at all, are the main coordination gaps?

Currently development partners base their planning on the overall development strategy of the country, the MGDS. Consultations for support are undertaken with the Ministry of Finance and the Ministry of Economic Planning and Development. The noticeable coordination gaps that exist are inadequate sectoral focus. There is need to have more sector Ministry participation (particularly Ministry of Trade, given the trade related vision of the country) in such donor government discussions.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

14. How do you measure the success of your trade development and aid-for-trade strategies?

Success of the overall development strategy, the MGDS, is reviewed through various consultative processes and a major annual review undertaken.

15. Do you cooperate with donors and other stakeholders in joint monitoring and evaluation of aid-for-trade programmes?

Although there are no aid-for-trade programmes, the Ministry of Industry and Trade has incorporated donors as members of the Steering Committees of all the donor funded trade-related projects that it is implementing, such as the Integrated Framework (IF) and Joint Integrated Technical Assistance Programme (JITAP).

With regard, to other development programmes donors and other stakeholders participate in the monitoring and evaluation processes as defined by the programmes.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

- 16. The WTO Task Force recommended establishing “A National Aid-for-Trade Committee, where necessary, to ensure trade mainstreaming in national development strategies, determine country needs, set priorities, assist in matching ‘demand’ and ‘response’, and help in evaluation.” Has such a Committee, or an equivalent body, been established in your country?**

An Aid-for-Trade Committee was set up in December 2006, under the National Working Group on Trade Policy (NWGTP) which is composed of members from the government private sector, civil society and non-governmental organisations.

- 17. Describe the process and key actors (such as donors, private sector-representatives, etc.) involved in reviewing progress toward fulfilment of your aid-for-trade and trade development commitments?**

[Answer is for general development commitments]

The Malawi Government has instituted several mechanisms and processes for reviewing progress towards fulfilment of GOM aid and development commitments.

- First are the pre-budget consultations which the Ministry of Finance (MOF) undertakes prior to budget presentation. The budget framework and key policies changes are discussed with representatives of the private sector (MCCI), donors and civil society;
- Secondly, every year the MOF undertakes a Joint Country Program Review (JCPR) to review progress in the implementation of development program/project with donors. Representatives of donors and private sector and civil society are invited to this review
- There are also quarterly Common Approach to Budgetary Support (CABS) review by the MOF and development partners providing budgetary support;
- Finally, under the DAS there will be mechanism for dialogue and progress review involving donors, private sector and civil society.

MAURITIUS

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. **What priority is accorded to trade development in your country's economic growth/national development/poverty reduction strategy?**
2. **Do you have a government-wide trade development strategy and if so what are its main priorities? What time period does it cover?**

A 10-year programme announced in the FY 07/07 Budget to

- Open the economy to the rest of the world
- Implement wider economic and social reforms to unlock growth potential through
 - a. stabilising macroeconomic fundamentals
 - b. Improving public sector efficiency
 - c. Enhancing global competitiveness of industry- **ENTERPRISE PROGRAMME**
 - d. Improving business climate to attract FDI
 - e. Making labour more mobile
 - f. Providing social safety nets, workfare programmes and democratising the economy through community participation and social inclusion- **EMPOWERMENT PROGRAMME**
- 3. **Does your trade development strategy specify aid-for-trade needs?**
 - economic development based on export-led strategy
 - need to reduce reliance on preferences and move to global competitiveness because of erosion of preferences
 - need to integrate the world economy to unlock growth potential to create jobs, reduce poverty and attain MDGs

4. What are the main trade development challenges and opportunities you face which require collaboration with other countries in your region? Are these addressed in your trade development strategy?

- Regional FTAs is a stepping stone to integration into world economy
- Regional integration allows countries to test the tenet that freer trade brings greater prosperity
- But regional FTAs still have to be made fully effective in spite of available instruments
- Hence need to assess constraints to regional free trade and estimate what it would cost to remove the barriers (**5 pillars of AFT Task Force recommendations**)

HOW MUCH AID-FOR-TRADE DO YOU RECEIVE?

5. Have you costed your trade development strategy? What percentage of your trade development financial requirements do you expect to be funded by ODA?

- The 5 elements of the WTO AFT Task Force recommendations are necessary
- Development Policy Loans amounting to US \$ 70 mobilised in FY 06/07
- Similar amounts expected in FY 07/08 and FY 08/09

6. Which activities do you consider are supporting your trade development strategy? Accordingly, how much aid-for-trade have you received by category for the period 2002-2005, and in particular in 2005?

Determined by Government on the basis of a macro framework embedding the fiscal constraints.

7. Describe any key trade development priorities that are constrained by lack of donors' funding?

Cost of AFT strategy and financing required

Commitments in US\$ thousands, 2004 constant prices

Economy (Billion Euro)	
Total cost	4.0
Private sector	1.8
External partners	1.2
Government	0.5
Financing Gap	0.5

Trade-Related Investment Needs, 2006-2015 (In million of Euros)

Sector	TRTA	TRCB	TRPCB	TRInf	TRAM	Total
1. Sugar						
1.1 Derocking/irrigation			63			63
1.2 Mechanisation			24			24
1.3 VRS II Compensation					97	97
1.4 Cess restructuring					24	24
1.5 Centralisation				43		43
1.6 Blue Print Compensation					35	35
1.7 Power Plant				215		215
1.8 Ethanol			16			16
1.9 Debt servicing					41	41
1.10 Income support					11	11
1.11 Research		14				14
2. SME Support to existing sectors		100*			120*	220
3. New Sectors						
3.1 Knowledge hub			145			145
3.2 Seafood hub			160			160
3.3 Light engineering			60			60
3.4 Pharmaceuticals/medical hub			85			85
3.5 ICT (EASSy, etc.)				660		660
3.6 Port & airport			190			190
3.7 Empowerment Program					45	45
3.8 Tariff revenue loss					100	100
Total		114	743	918	473	2248

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?**MAINSTREAMING****8. Describe the internal governmental coordination process to prepare your trade development strategy.**

- CONSULTATIONS with govt agencies, economic operators, trade unions and civil society
- But resistance to reform has to be overcome
- Political support and endorsement critical as reforms are painful
- development has always been export-led since Mauritius has a narrow resource base
- Trade in goods under preference regime has enabled diversification, esp in services and strengthened economic resilience

OWNERSHIP

Refers to partner countries exercising effective leadership over their development policies and strategies and coordinating development efforts.

9. What needs assessment tools do you use to formulate your trade development strategies (do you use diagnostic studies, e.g. such as those prepared under the Integrated Framework?)

- Analytical and Advisory services from the WB and TA from IMF to help identify options and assess their costs and benefits
- Maintaining the status quo was not an option
- But final strategy was determined by Government

10. How do you involve key stakeholders (including the private sector and civil society) in the identification of your trade development challenges and opportunities?

- different options above discussed with all stakeholders
- private sector informed that the value of protections was gradually eroding
- better use the time between now and the end of protection to restructure
- Trade off between producer surplus versus consumer welfare to be rebalanced

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

11. Are external partners using your policy planning and budgeting framework as a basis for their aid-for-trade support?

12. How well do aid-for-trade flows reflect your government's trade development priorities and what aid management information system do you use?

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

13. How do you encourage external partners to coordinate their trade related analyses and programming? Where, if at all, are the main coordination gaps?

- External partners align their intervention on Govt reform programme
- External resources are channelled through GBS to support Govt on the basis of mutually agreed performance indicators
- The initial focus is on policy reforms and review of sector strategies to align them to the reform agenda
- External partners provide TA to ensure that international benchmarks are adopted
- Partners collectively agree with line ministries on strategies and benchmarks

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

14. How do you measure the success of your trade development and aid-for-trade strategies?

15. Do you cooperate with donors and other stakeholders in joint monitoring and evaluation of aid-for-trade programmes?

The objectives are to

- Open the economy to the rest of the world
- Implement wider economic and social reforms to unlock growth potential
 - g. To stabilise macroeconomic fundamentals
 - h. Improve public sector efficiency
 - i. Enhance global competitiveness of industry- **ENTERPRISE PROGRAMME**
 - j. Improve business climate to attract FDI
 - k. Make labour more mobile
 - l. Democratise the economy through community participation and social inclusion- **EMPOWERMENT PROGRAMME**
- A 10-year **time frame** announced in the FY 07/07 Budget
- But pace of reform depends on how fast external support is available
- **Evaluation** based on Performance indicators mutually agreed upon are meaningful, verifiable and efficiency enhancing
- External partners make their own independent assessment of progress
- Since we are using GBS, focus is on outcome indicators instead of inputs
- Mandatory **consultations** with partners collectively are held 3 times a year to take stock of progress, agree on new indicators and targets

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

16. The WTO Task Force recommended establishing “A National Aid-for-Trade Committee, where necessary, to ensure trade mainstreaming in national development strategies, determine country needs, set priorities, assist in matching ‘demand’ and ‘response’, and help in evaluation.” Has such a Committee, or an equivalent body, been established in your country?

17. Describe the process and key actors (such as donors, private sector-representatives, etc.) involved in reviewing progress toward fulfilment of your aid-for-trade and trade development commitments?

- The NAFTC meets as often as required to monitor progress and review strategy wherever necessary
- Partners collect evidence of performance on the basis of official statistics, laws and regulations passed and reports of the IMF on macroeconomic performance

THE NETHERLANDS

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

The key elements in the Netherlands aid-for-trade strategy are:

- 1) Aid-for-trade needs to contribute to the realization of MDG's 1 and 8, not only by stimulating economic growth but also by advancing pro poor income distribution.
- 2) Safeguarding and intensifying the globalization process in a controlled manner will contribute to economic growth, also in developing countries.
- 3) The WTO Doha Development Agenda has to succeed, not only to preserve actual market access levels but also in order to create additional trade opportunities. Aid-for-trade is considered to be complementary to the DDA and as a consequence is implemented without taking the outcome of the trade negotiations into consideration.
- 4) EPA's should contribute to the multilateral process and initiate deeper liberalisation of regional trade (south-south) next to improved access to EU markets for the ACP group of countries. Market opening of ACP countries will be asymmetric and allow 'policy space'.
- 5) Corporate social responsibility is important to guarantee continued public support for globalization; CSR should not lead to protectionism but assist developing countries in their efforts to achieve higher standards for labour regulations, environment and climate protection norms and human rights (including the gender MDGs 3-5).
- 6) Developing countries need to integrate trade and growth strategies into their poverty reduction strategies; this in order to guarantee the demand driven character, involve civil society and private sector and reinforce the political process in a.o. parliament.
- 7) As developing countries, f.e. Sub Sahara Africa (3rd in Doing Business 2006), make progress in economic governance, these countries deserve donor support in their efforts to use increased market access and participate stronger in the world trade system.
- 8) Donors should assist them by making additional aid-for-trade means available (as part of the Monterrey-Barcelona ODA commitments).
- 9) In individual LDCs the Netherlands will support the development of concrete proposals for trade capacity building. Should this be helpful and effective, it is also willing to join and support the priorities that result from the IF process.

- 10) The widening of the aid-for-trade-agenda, to include supply side constraints and infrastructure next to trade related assistance, has been endorsed by the WTO Hong Kong Ministerial and EU General Affairs and External Relations Council.
- 11) A joint EU aid-for-trade strategy can help to implement this agenda in a more coordinated manner (Paris Declaration) with other donors and IFI's.
- 12) However, effectiveness is not enough; the question is now how the EU can help to achieve concrete results with an EU aid-for-trade strategy.
- 13) That is why, besides on TRA, the strategy should focus on the implementation of the EU Africa Partnership on Infrastructure, Advancing African Agriculture, EU African trade facilitation programmes and support to SME's with practical programmes to enable them to participate in global supply chains.
- 14) Important that the demand driven character of aid-for-trade will be preserved; strict input targets for TRA or ACP should not undermine this.
- 15) The EU code of conduct could be implemented in the EU aid-for-trade strategy, on a voluntary basis and while providing a solution for cross sectoral aspects and tied aid provisions.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

The strategy has been developed in line with the results of this conference and the recommendations of the WTO Aid for Trade Taskforce.

3. How does this strategy address regional aid-for-trade challenges?

Apart from regional issues that are dealt with in national poverty reduction strategies, solutions for regional challenges should be supported by institutions with suitable instruments like the EU Commission.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

The Netherlands aid-for-trade programme is defined in conformity with the recommendations of the WTO Aid for Trade Taskforce. It consists of programmes and projects which are reported under the CRS codes for the categories Trade policy and regulations, Economic infrastructure and Building productive capacity (including Trade development).

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Individual projects and programmes are provided with a CRS code and thus qualify under aid-for-trade categories or not.

COMMITMENTS

6. **According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?**

Commitments were in line with the description in the Annex to this questionnaire of the Creditor Reporting System (CRS) categories and the profile of the Netherlands' data for 2002 to 2005.

PLEDGES

7. **Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.**

The Netherlands has not made additional aid-for-trade pledges since the WTO Ministerial Conference in Hong Kong. Our demand driven commitment level has however increased to approximately € 550 million per year.

8. **What is your medium-term (beyond 3 years) financial plan for aid-for-trade?**

To maintain the existing commitment levels.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. **How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?**

Similar to other Netherlands' development programmes, aid-for-trade programmes and projects need to be demand driven and form an integral part of policy discussions with beneficiary countries, international institutions, other donors, NGO's and the private sector.

10. **Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?**

Since 2000, a dedicated staff of six people has been assigned to aid-for-trade.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. **What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?**

Upon request, the Netherlands can support in LDCs the development of concrete proposals for trade capacity building. We join at the national level the priorities that result from the Integrated Framework process.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

We can support beneficiary countries in their endeavours to conduct such policy dialogues.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Where possible, this is the approach that we pursue.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Yes, donor coordination at country level is a standard feature of Netherlands' programming.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

As the Netherlands aid-for-trade is demand driven, this would depend on the beneficiary countries.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

Objectives and timeframes are set for individual programmes and projects. Consequently, success is measured per activity. Programmes can also become the subject of an evaluation.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Methodologies which measure output, outcome and impact.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Yes, the Netherlands regularly cooperates with other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

As a consequence of the demand driven character of the Netherlands' aid-for-trade programme, engagement with partner countries, regional organisations, other donors and stakeholders in reviewing progress is an integral part of our arrangements.

NEW ZEALAND

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

New Zealand published its trade and development policy, “*Harnessing International Trade for Development*”, in May 2003 available at:

<http://www.nzaid.govt.nz/library/publications/policies.html>.

It recognises the need to address developing countries’ trade concerns as part of broader efforts to reduce poverty, highlighting that trade can contribute to poverty reduction when critical economic and governance factors are in place. It reflects the challenges – both in terms of international market access and domestic barriers – that developing countries face in being able to effectively participate in and benefit from trade and the role that donors can play.

The New Zealand Agency for International Development (NZAID) seeks to help meet these challenges and thereby strengthen the contribution trade can make to development through a dual approach; engaging on trade policy issues with the Ministry of Foreign Affairs and Trade and other government agencies where there are strong development interests;¹ and through programming to support partner countries to take advantage of trading opportunities. The priority areas for programming identified in the policy are:

- accessing the benefits of multilateral and regional processes;
- trade-related institutional and human capacity building (including standards and obligations with respect to human rights, labour and environmental protection); and
- community development (from community based trading partnerships and rural development through to trade promotion agencies).

NZAID is a small player globally so it is important that we are selective in our engagement. We therefore target activities seen by developing partners as being the highest priorities and those most likely to be effective in supporting pro-poor policy and practice.

1. Major themes of interest include: (i) within the WTO - special and differential treatment for developing countries in the agricultural and NAMA negotiations, trade facilitation, Aid for Trade, improving poor people’s access to essential medicines under TRIPS, and WTO accession negotiations of core partners; (ii) regional trade discussions that involve New Zealand and our ODA partner countries in Asia and the Pacific; and (iii) ensuring New Zealand’s own requirements such as SPS, rules of origin, and food safety do not unduly constrain imports from developing countries.

2. *How has this strategy evolved since the December 2005 WTO Ministerial Conference?*

This policy was developed prior to the December 2005 WTO Ministerial but is consistent with Ministers' Declaration in Hong Kong that "Aid for Trade should aim to help developing countries to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade". New Zealand's Trade and Development policy specifically identifies domestic supply-side capacity constraints (including skill and health levels and access to finance) and poor physical and services infrastructure as areas for support.

While the Trade and Development policy itself has not changed since December 2005, our programming and practice evolves as our experience in providing trade-related assistance builds. Our commitment to providing trade-related assistance is reinforced in NZAID's new Growth and Livelihoods Strategy (currently being finalised) which identifies "Making Globalisation Work for the Poor" as one of three core programming areas, along with "Creating an Enabling Environment" and "Making Markets Work Better for the Poor" which are critical for developing the supply side for trade.

3. *How does this strategy address regional aid-for-trade challenges?*

New Zealand's Trade and Development policy identifies channels for the delivery of trade-related assistance at the bilateral, regional, and multilateral level, as appropriate. This enables us to work effectively at a regional level to address challenges that go beyond an individual country and its borders. We work in support of regionally agreed frameworks that identify regional challenges and responses, in particular the Pacific Plan and the Vientiane Plan, and through regional bodies such as the Pacific Island Forum Secretariat.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. *How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?*

New Zealand uses the broad definition of Aid for Trade, based on the OECD-WTO reporting definitions. Our trade-related assistance therefore covers a range of areas, including:

- **trade-related capacity building and trade facilitation** activities: such as working to reduce border barriers to trade by improving the standards of developing country exports (SPS/TBT) and customs capacity;
- **addressing supply-side constraints:** support to some productive sectors (such as agriculture, forestry, fisheries, SME development) to move into higher value-added activities and strengthen market linkages; skills training; improving access to finance; and providing selective support for critical infrastructure;
- **support at the macro level** to develop and sustain sound macroeconomic policies to provide an environment that supports economic and export development and, where appropriate, alternative revenue generating possibilities.

Additional activities include promoting environmentally sustainable production, and promoting fair trade by building consumer awareness within New Zealand. We do not include general budget support in our definition of Aid for Trade.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

For significant multi-sectoral projects or programmes that include some trade-related activity, we reflect this in our reporting on trade-related assistance by identifying the approximate share that is for trade-related purposes.

New Zealand does not target a specific amount of funding for trade-related activities. Overall decisions on NZAID programming reflect priorities identified in regional and country strategies for assistance, which have been developed in conjunction with development partners. Where partners identify trade-related assistance as a priority then NZAID will look to support this.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?²

On the basis of the new OECD CRS reporting structure, our Aid for Trade commitments for 2002-2005 were:

All \$US thousands, 2004 constant prices

	2002	2003	2004	2005
Trade Policy and Regulations	1,352	1,167	1,513	2,357
Economic Infrastructure	2,570	2,900	2,120	4,719
Building Productive Capacity	7,547	11,295	10,576	15,432
Total	11,469	15,362	14,209	22,508

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

New Zealand funding for trade-related activities has increased since December 2005 and we expect this will continue as we are entering new trade-related programmes. We have not, however, made any high level pledges on Aid for Trade as some other donors have done. As noted elsewhere, the level of aid for trade activity in any particular NZAID programme will depend upon the content of the country or regional strategy agreed with our partners.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Decisions on how New Zealand's ODA is programmed will continue to reflect the priorities for assistance that are identified in regional and country strategies developed in conjunction with development partners. Where partners identify trade-related assistance as a priority then NZAID will

look to support this. New Zealand's overall ODA budget is rising – from 0.27% of GNI in 2006 to 0.35% in 2010 – and we expect the volume of funding for trade-related activities to continue to rise.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

New Zealand is working to ensure that our trade-related activities are designed, implemented, and monitored in accordance with the principles outlined in the Paris Declaration. Most of our assistance is delivered through bilateral and regional programmes, but assistance is also being provided through multilateral channels. We adopt a cross-agency team approach to enable us to build on experience and best-practice.

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

Support for trade-related activities features in NZAID's 5-year strategy (under economic development) and down into regional and country strategies and programmes. Both NZAID's Asia and Pacific Strategies (the two focus regions for New Zealand's ODA) have identified broader based economic growth and improved livelihoods as priorities for NZAID activity. In the Pacific, specific outcomes sought include an environment that supports economic growth, markets that work for the poor and strengthened rural livelihoods and food security. NZAID's programme in Southeast Asia is focused on sustainable rural livelihoods, complemented by initiatives in other sectors such as education and health. Further, in both Asia and the Pacific, the themes of gender equity, environment, HIV/AIDS, good governance, human rights and poverty and conflict are considered across all NZAID's programmes.

Through the priorities of growth and livelihoods, NZAID effectively integrates trade-related activities in the context of our overall strategy and programming. Programming decisions ultimately reflect assistance priorities as identified by partner countries. We actively encourage our partners (particularly in the Pacific) to ensure economic and trade issues, where priorities, are reflected in their national strategies.

We ensure staff, both at headquarters and in-country, are aware of our Trade and Development policy and programming through formal and informal mechanisms. Nevertheless we recognise the need to increase these efforts. A particular priority is to increase dialogue and coordination between our bilateral programmes and our regional trade and development programmes to ensure coherence and avoid duplication. We would not expect to necessarily be supporting trade-related activities in all our partner countries given our small size and limited capacity to engage.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

In 2006 NZAID created a new Trade and Development advisory position, thus increasing the capacity within the agency to engage on trade policy issues and provide advice to staff managing trade and development programmes. Human resources allocated for the Pacific trade programme and the Asia trade and development programme have also been increased. A number of people from across the agency (both at headquarters and in-country) actively participate in an internal Trade and Development network of practitioners. A key objective is to ensure linkages are made between policy and practice, to stimulate information sharing and lesson learning on trade-related issues, and to advise on trade and development priorities across the agency. We are also looking to connect more

actively with international networks of experts to ensure we are up to date with international best practice, and are engaged with the ongoing work on the effectiveness of trade-related assistance agenda.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

New Zealand's broad definition of trade-related assistance (including for example, supporting the development of productive sectors, fiscal reform etc), means that even if trade *per se* is not strongly articulated in a national development strategy, there are often country priorities that New Zealand is supporting that do support our partners' ability to benefit from trade opportunities. We have regular dialogue with our partner countries to understand their priorities. We are conscious though, particularly in the Pacific which has very limited capacity, not to overburden countries with additional priorities.

In addition to our bilateral programmes we have regional activities that respond to partners' articulation of their needs and priorities through regional fora and frameworks, such as the Pacific Plan. Regional mechanisms provide an alternative means of support on trade issues in-country where a partner country has not identified trade as a priority for bilateral assistance.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

In the Pacific, where New Zealand is a larger player, we are increasingly looking at how we can encourage greater policy dialogue between stakeholders across all key issues, including the demand side for such dialogue. On trade-related issues, New Zealand is exploring ways of supporting efforts to build trade policy capacity including the ability of civil society and the private sector to engage. New Zealand also supports the ability of agricultural and fisheries officials to engage in trade policy issues through annual fora. We expect that greater coordination and dialogue with stakeholders in partner countries on all trade issues will also result in more effective discussions on Aid for Trade and priorities for trade-related assistance. We are conscious of the importance of this in the Pacific where they are engaging in various trade negotiations (currently with the EU and in the future with New Zealand and Australia).

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

All our programmes look to respond to partner priorities, as reflected in planning documents. Most of our trade-related activities at the national level do not currently use partner countries' budgeting frameworks, however the cost of any assistance being provided is known to our partners and could be noted in their budgets if our partners wished to do this. Some of our regional trade funding in the Pacific does flow through the budget of the Pacific Island Forum Secretariat and thus responds to

the relative priorities of member countries as reflected in the Secretariat's planning and budgeting processes.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

New Zealand makes a conscious effort to coordinate with other donors at the country level in order to avoid duplication, identify gaps and synergies, and compare learning. We participate in regional mechanisms (e.g. the ASEAN Secretariat and the Pacific Islands Forum Secretariat) that harmonise recipient country needs and donor activities. New Zealand contributes to a number of multi-donor trade-related initiatives at the bilateral, regional and multilateral level (e.g. NZAID co-funds an infrastructure project in the Solomon Islands; the Pacific Regional Trade Facilitation Programme; and we have supported the WTO Global Trust Fund). We also provide assistance through regional institutions who deliver trade-related programmes, such as the IFC's Private Enterprise Partnership offices in the Pacific and the Greater Mekong Region (PEP-PAC and MPDF), the Foreign Investment Advisory Service (FIAS) the Pacific Financial Technical Advisory Centre (PFTAC, who provide advice on revenue reform, amongst other things), and the Mekong Institute (which runs trade-related courses for officials from the Greater Mekong countries).

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

New Zealand is increasing funding for our regional trade and development programmes in both the Pacific and Asia, and our support through multilateral mechanisms. We have recently formulated a multilateral trade and development programme of support to the International Trade Centre (ITC), the Agency for International Trade Information & Cooperation (AITIC), and the WHO CODEX Trust Fund. Ensuring greater effectiveness of our spending is also a priority in order to achieve the greatest impact with our limited resources.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

The Trade and Development policy, launched in 2003, sets out broad principles and priorities rather than explicit policy objectives or a standard template for individual activities' objectives. Aid for Trade objectives are thus defined in the normal process of mutual identification of priorities with partners. Objectives are set for individual activities or for programme strategies in response to specific needs rather than centrally set in the policy.

Aid for Trade activities are incorporated into NZAID's mainstream processes for performance information. Most importantly, these processes include mutually agreed strategies at the programme level (e.g. for each bilateral partner) and individual activities within those programmes. Individual activities have their own rigorous objectives, time-frames and performance indicators. Programme Strategies are now also required to include a results framework (formally a requirement from 2007).

Success at both the activity and programmes levels is measured by on-going monitoring and by more thorough evaluation exercises. These systems measure success against the original objectives, with a strong focus on contribution to the wider poverty elimination objectives.

We recognise that many of the challenges facing countries to take advantage of trade opportunities will take time to address. We endeavour to take this into account in setting objectives and timeframes for our Trade and Development policy and programmes.

In 2007, NZAID has allocated new resources to renewing and strengthening its overall performance information and reporting systems. Accordingly, these systems should be regarded as subject to revision.

The Trade and Development policy, launched in 2003, indicates a full review would be completed in 2006 or following the conclusion of the WTO Doha Round. As such we have not yet conducted a review of the policy.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

We consider evaluation has an essential role in enhancing the effectiveness of NZAID programmes. The approach we take for Aid for Trade projects and programmes is the same as for all NZAID's other programmes. NZAID's evaluative activities are guided by the principles of partnership (in both design and implementation of development partners and stakeholders); independence; participation; transparency; and capacity building (to enhance the organisational capacity of stakeholders to undertake evaluation). We follow the OECD/DAC recommendations of five criteria for evaluations: effectiveness; relevance; impact; sustainability; and efficiency. In choosing an approach for a particular evaluation we consider the purpose of undertaking the evaluation, the evaluative criteria, and the context within which it is being undertaken.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Reviews and evaluations can be, and are, undertaken jointly with our partners, other donors and key stakeholders (e.g. an upcoming example is a review of the Pacific Regional Trade Facilitation Programme). In doing so we seek to use processes that are sufficiently robust to manage any potential bias or conflict of interest. A harmonised and inclusive approach facilitates wider ownership and shared use of the monitoring and evaluation outcomes by NZAID, other donors, and our in-country development partners. We encourage these approaches whenever feasible and appropriate. They are particularly important when working within the context of multi-donor programme activities using partner countries systems and plans. Including partner countries can also have a positive impact in developing their capacity to carry out evaluative activities.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

New Zealand's Trade and Development policy emphasises the importance of mutual accountabilities for both parties in a trade and development partnership. We work with partner countries, regional organisations, other donors and stakeholders as appropriate in reviewing programming and our commitments to programmes. In some instances formal accountability mechanisms exist, for example, the Pacific Regional Trade Facilitation Programme is formally discussed at the annual meeting of the region's Trade Ministers. When we undertake a more formal review of our Trade and Development policy, other relevant partners and stakeholders, including New Zealand NGOs, will be included in that process.

New Zealand Annex:

The *New Zealand Agency for International Development* (NZAID) is the main policy and delivery agency for trade-related assistance. It is a semi-autonomous body within the New Zealand Ministry of Foreign Affairs and Trade, which has overall responsibility for New Zealand's international trade policy. NZAID was established in 2002, making it a relatively new agency. With a total budget of NZ\$429 million in 2007/08 and a New Zealand-based staff of approximately 140, NZAID is a relatively small development agency.

NZAID has increased its in-country-presence in recent years and is devolving an increasing amount of programme management to country posts. We are also devolving programme development to posts where there is sufficient capacity. New Zealand's Official Development Assistance (ODA) budget is increasing from 0.27% of GNI in 2007 to 0.35% in 2010.

New Zealand's Trade and Development Policy, "*Harnessing International Trade for Development*" can be found at: <http://www.nzaid.govt.nz/library/publications/policies.html>

A factsheet giving examples of New Zealand's trade-related programming can be found at: <http://www.nzaid.govt.nz/library/docs/factsheet-trade.pdf>

PANAMA

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. *What priority is accorded to trade development in your country's economic growth/national development/poverty reduction strategy?*

Panamá, ha colocado el fomento del comercio y el proceso de apertura comercial dentro de las principales prioridades o herramientas para potencial el crecimiento económico del país como vía para la reducción de pobreza y mejorar la calidad del empleo.

En este sentido se ha diseñado una hoja de ruta que recoge el documento “Visión Estratégica de Desarrollo Económico y de Empleo hacia el 2009” el cual tiene como propósito presentar un marco general de Políticas Públicas con miras a ordenar el proceso de reactivación económica y social del país y motivar, al mismo tiempo, el comportamiento de los diferentes estamentos de la sociedad. También se espera que el mismo oriente los programas, las acciones del gobierno y de las instituciones estatales conforme a los lineamientos y objetivos de desarrollo del país.

Es por ello, que en congruencia con los objetivos de lograr un mayor crecimiento económico y reducción de la pobreza, a través de una estrategia que fomente el comercio y crecimiento de las exportaciones el Ministerio de Comercio e Industrias ha diseñado “La Estrategia Nacional de Comercio 2004 – 2009” como herramienta para *Mejorar la Competitividad de la oferta panameña de bienes y servicios, con miras a potenciar su efectiva colocación en el mercado local e internacional, generando más fuentes de empleo calificado que apoyen el crecimiento económico, contribuyendo a la reducción de la pobreza y el desempleo*”.

En materia económica, el sector productivo panameño se caracteriza por su concentración en los sectores de comercio y servicios, con un alto porcentaje de PYMES. La importancia de las PYMES es valorada cada vez más, entre otros aspectos, por su aporte a la generación de empleos e ingresos a la economía y por su papel referente a mejorar la distribución del ingreso.

El 91% del total de las empresas registradas en el Directorio de Establecimientos de la República de Panamá, se dedican al comercio y los servicios, un 7.6% a la industria manufacturera y el sector primario y la construcción no llegan en conjunto al 2.0%. Es importante anotar que esta distribución se corresponde con el modelo de servicios y comercio que ha caracterizado a la economía panameña.

En el caso particular de la pequeña y mediana empresa, el 56.2% de los establecimientos realizan actividades comerciales. Las PYMES adquieren mayor importancia en el Comercio al por mayor (69.1%), en el Comercio al por menor (21.1%) y en el Comercio al por mayor en la Zona Libre de Colón (9.8%).

La mitad de toda la producción industrial panameña consiste en alimentos. En cuanto a la competitividad de la industria nacional, es importante señalar que si se toma en cuenta la estructura

de la actividad según magnitud de empresas, productividad o empleo, se aprecia una gran heterogeneidad. Por su parte, menos del 3% de las empresas venden más de 100 millones de Dólares al año, y el 53%, menos de 50 millones de Dólares. El 1.5% de las empresas registradas en el Censo Industrial cuentan con más de 200 empleados, mientras que el 82% de estos establecimientos cuentan con menos de 20 ocupados.

Estudios relacionados han permitido identificar una serie de obstáculos y contar con una descripción general de las principales características de los mismos, entre los que destacan financiamiento, trámites con el estado, legislación laboral, acceso a mercado, tecnología y capacitación, infraestructura adecuada, otros.

En este sentido, uno de los principales objetivos de la Estrategia Nacional de Comercio es crear mejores condiciones de empleo y reducción de la pobreza, a través del crecimiento de las exportaciones de bienes y fortalecimiento de las PYMES y de los emprendedores. Es importante destacar que tradicionalmente los empleos generados por el sector exportador son de mejor calidad y los niveles de ingresos son superiores a las actividades orientadas al mercado doméstico. Es por ello, que para lograr mejores condiciones de trabajo y una nueva cultura de negocio como herramienta para reducir la pobreza, se han desarrollado los siguientes programas de trabajo:

- **Programa Exporta:**
 - Apoyo al desarrollo del sector exportador.
- **Programa Invierte:**
 - Incentivar al sector privado local e internacional para que invierta en Panamá.
- **Programa Prepárate para Competir:**
 - Apoyo al sector productor exportador para competir en los mercados internacionales.
 - Programa de Apoyo a la Competitividad de las MyPYMES
 - Programa de Desarrollo Industrial Competitivo
- **Agenda Complementaria:**
 - Programa para la adecuación de Panamá a los compromisos de los TLC.
 - Estrategia de Trade Capacity Building (TCB).

2. Do you have a government-wide trade development strategy and if so what are its main priorities? What time period does it cover?

La referida Estrategia Nacional de Comercio, cuenta con tres pilares fundamentales: i) apertura de mercados, ii) promoción de inversiones y exportaciones y iii) preparación de la oferta exportable para la competitividad.

En cuanto a la apertura de mercado, se establecen procesos de negociación con países o bloques comerciales que representen una verdadera ventaja para la oferta exportable panameña, como una herramienta para potenciar su desarrollo. Por el lado de la promoción de inversiones y exportaciones se fortalece el clima de negocios para atraer IED de alto valor agregado, que promueva la capacitación del recurso humano (know – how), la transferencia de tecnología y mejores remuneraciones que incidan directamente en el mejoramiento de la calidad de vida de los panameños.

Áreas de Focalización:

- Turismo,
- Transporte Multimodal (Centro Logístico),
- Servicios,
- Energía,
- Tecnología de la Información y Comunicaciones,
- Agro negocios.

Programas de Apoyo:

- Programa Invierte, COMPITE PANAMA, Centro de Competitividad de APEDE, BANCO MUNDIAL, BID, SENACYT, IPAT, ANAM y Migración.
- Programa Exporta, “Con orgullo consume lo tuyo”, “Manos a la Obra”, Compite Panamá, BID, Banco Mundial, USAID

Por su parte, en materia de competitividad de la oferta exportable, se ejecutan programas para desarrollar una Oferta Exportable diversificada, con significativo valor agregado, de calidad y con volúmenes que permitan tener una presencia competitiva en los mercados Internacionales. Entre las líneas de acción más destacadas están:

- Revisión de los programas de fomento a las exportaciones.
- Generación de programas de capacitación y asistencia técnica con valor agregado para los productores y/o exportadores (asociatividad, consorcios de exportación, alianzas estratégicas, etc.)
- Modernización y Automatización de los servicios al sector privado (Ventanilla Única de Exportaciones, Red de Comercio Exterior).
- Reestructuración de la gestión de promoción de exportaciones para hacerla más
- especializada y eficiente.
- Programa EXPORTA y su campaña publicitaria.

Finalmente, es de resaltar que las áreas de trabajo de la Estrategia de Comercio vinculan no solamente a los distintos sectores productivos del país, sino también a las instituciones de gobierno competentes en cada una de estas áreas. Esto permite concluir que existe una vinculación de las instituciones gubernamentales sectoriales con los objetivos de desarrollo del país, el fomento de la competitividad, el fortalecimiento de la capacidad exportadora y los esfuerzos para reducir la pobreza. Por otro lado, el horizonte de trabajo para la implementación de la estrategia país para el fomento del comercio abarca el periodo 2004 – 2009.

3. Does your trade development strategy specify aid-for-trade needs?

En los objetivos de la estrategia para el fomento del comercio, aparece evidente que el país deberá fortalecer sus programas de apoyo a la propia administración pública y al sector productivo para orientarlas hacia las nuevas demandas y exigencias del proceso de apertura, por lo cual se considera de forma general las siguientes áreas o ejes de trabajo con necesidades de recurso que permitan fortalecer las capacidades técnicas, de gestión y administración de los sectores públicos y privados con especial énfasis en las PYMES:

- Asesoría para la formulación de programas de asistencia técnica directa para la reestructuración y modernización del sistema institucional del país, definiendo políticas y estrategias ajustadas a las nuevas condiciones que exige el cumplimiento de los acuerdos dentro del TLC y el proceso de apertura comercial del país.
- Fortalecimiento Institucional de las instituciones y servicios de infraestructura vinculados con el comercio exterior, las inversiones, el medio ambiente, la investigación y el desarrollo tecnológico, en apoyo al mejoramiento de la competitividad de las industrias, como requisito para participar activamente en el comercio internacional.
- Fomento de las Capacidades Empresariales y de Gestión de las MIPYMES, frente a los retos de su internacionalización con miras a beneficiarse del TLC.
- Desarrollo de servicios especializados de extensión, capacitación y tecnología industrial, a través de la formación de talento humano, orientado a las nuevas demandas del sector productivo frente a la apertura comercial.
- Mejoramiento de la competitividad, mediante programas de productividad, normalización y calidad total.
- Medio ambiente, para la formulación de programas para prevenir y controlar la contaminación industrial y promover el uso de tecnologías limpias.

Es importante destacar que cada una de estas áreas cuenta con perfiles de proyectos que requieren recursos para su implementación.

4. What are the main trade development challenges and opportunities you face which require collaboration with other countries in your region? Are these addressed in your trade development strategy?

Los desafíos y oportunidades en materia de fomento al comercio están insertados o son recogidos en la Estrategia de Comercio con miras a mejorar la competitividad de los sectores productivos. Entre estos tenemos los siguientes:

Desafíos:

Mejoramiento de la Competitividad del Sector Privado

- Formulación de proyectos de inversión.
- Diseño y puesta en práctica de mecanismos de apoyo para: (Asesoría técnica especializada, capacitación y gestión empresarial, Investigación y desarrollo tecnológico, Mejoramiento de infraestructura productiva, Inversiones en infraestructura (Plantas, fábricas, centros de I+D),

Estándares de calidad, Asesoramiento en desarrollo de productos, Comercialización y mercadotecnia, Cumplimiento de medidas de normalización, metrología y MSFS, Utilización de técnicas de producción limpias y sostenibles, Programas de asociatividad, consorcios de exportación, alianzas estratégicas, y responsabilidad social empresarial.

Modernización del Sector Público

- Acceso a Tecnología
- Disminución de burocracia y discrecionalidad
- Revisión de leyes y estructuras existentes

Oportunidades:

- Potencia para diversificar y aumentar la oferta exportación de productos no tradicionales.
- Posibilidad de vincular el potencial de negocios de servicios tecnológicos con los de la logística.
- Fortalecer las capacidades técnicas del recurso humano del país a través de la transferencia de conocimiento y tecnología.
- Inicio de una campaña internacional de promoción de Panamá (Imagen País) organizada profesionalmente y en coordinación con los agentes de la industria;
- Potencial de aumentar las ofertas de giras internas como resultado de alianzas estratégicas entre operadores nacionales y empresas en los países generadores de turismo.

HOW MUCH AID-FOR-TRADE DO YOU RECEIVE?

5. *Have you costed your trade development strategy? What percentage of your trade development financial requirements do you expect to be funded by ODA?*

Para impulsar la estrategia de fomento del comercio, el país gestiona con el Banco Interamericano de Desarrollo un financiamiento por USD70,0 millones con aporte local de USD30.0 para la ejecución de Agenda Complementaria, herramienta diseñada para fortalecer las capacidades técnicas y aumentar la competitividad de los sectores productivos del país. En este sentido podríamos decir que la cifra anterior es una aproximación del costo o necesidades de recursos de la estrategia de fomento del comercio del país. En este momento no se cuenta con información del porcentaje de de necesidades financieras para el fomento del Comercio que se espera cubrir mediante asistencia oficial para el desarrollo.

6. *Which activities do you consider are supporting your trade development strategy? Accordingly, how much aid-for-trade have you received by category for the period 2002-2005, and in particular in 2005?*

Las actividades que apoya la estrategia de comercio del país está orienta al fortalecimiento de la capacidad exportadora y mejoramiento de la competitividad de los sectores productivos, para su incursión en el mercado internacional. Actividades más destacadas:

- asesoría y capacitación técnica y empresarial: incluye asesorías, cursos, seminarios y talleres de capacitación tanto a gerentes empresariales como a especialistas del sector, en temas de gestión

empresarial y en asuntos técnicos cuyo objetivo sea mejoras en la capacidad empresarial, gestión ambiental y competitividad comercial del sector;

- investigación y desarrollo tecnológico: incluye actividades que buscan aprovechar la capacidad de instituciones académicas y centros de investigación tecnológica existentes, en el país como a nivel regional e internacional, con el objeto de resolver problemas puntuales de tecnologías de la producción en el sector primario, secundario o terciario, así como facilitar la posibilidad de generar un mayor potencial competitivo en sectores particulares. Podrán financiarse actividades como el desarrollo de proyectos de investigación para mejoras de insumos, el diseño de soluciones tecnológicas para la optimización de procesos en la cadena de valor, el desarrollo de métodos de pruebas técnicas de productos, entre otras actividades;
- estándares de calidad a nivel sectorial: incluye actividades que tienen como objetivo elevar los estándares de calidad de un determinado sector para potenciar el acceso a mercados externos así como facilitar potenciales encadenamientos productivos con grandes empresas establecidas en el país. Podrá financiarse la elaboración de estudios de “benchmarking” o mejores prácticas que incluyan el análisis de prácticas de excelencia a nivel mundial específicas de los sectores;
- comercialización y mercadotecnia: incluye actividades para apoyar a los sectores a desarrollar planes concretos de comercialización y mercadeo que mejoren el posicionamiento de los productos en el mercado, tanto a nivel local como internacional, y podrá incluir asesoría en aspectos concretos comercialización, desarrollo de imagen de marca para los productos sectoriales, participación en ferias locales e internacionales, implementación de sitios de Internet promocionales a nivel sectorial, entre otros;
- soluciones de logística comercial: incluye actividades tales como el desarrollo de plataformas y soluciones de logística comercial, incorporación de nuevas técnicas de distribución, mejoramiento de equipaje y embalaje, desarrollo de centros de acopio, entre otras, que permita optimizar tiempos, flexibilidad, agilidad, velocidad, transparencia y seguridad en el comercio de los bienes y servicios del sector;
- divulgación y asesoramiento: incluye actividades que tienen como objetivo suministrar los medios para facilitar la transferencia de información sobre los resultados de investigaciones técnicas, científicas y comerciales a productores y consumidores;
- cumplimiento de medidas de normalización, metrología y mejoramiento de estándares sanitarios y fitosanitarios: incluye actividades tendientes a promover la adopción de estándares internacionales en materia de normalización, metrología y medidas sanitarias y fitosanitarias;
- actividades de mejoramiento y estímulo del clima de negocios: incluye actividades tales como la elaboración de propuestas de simplificación de trámites y procedimientos burocráticos para sectores particulares, propuestas de medidas de flexibilización del mercado laboral, elaboración de los marcos legales y regulatorios adecuados para estimular negocios en el sector, desarrollo de mecanismos institucionales y organizacionales adecuados para aplicar las leyes y reglas relacionadas con el comercio y la inversión en el sector, entre otros.

Los programas de trabajo acordados entre el Departamento de Cooperación Técnica Internacional del MEF con las entidades donantes (Organismos internacionales, Agencias de Cooperación, Gobiernos) están orientados al fortalecimiento de la gobernabilidad, salud, educación, formación ocupacional, y medio ambiente entre otros. Entre las actividades que clasifican como ayuda para el comercio destacan:

- USAID, Libertad Económica: Una Economía Abierta, Diversificada y en Expansión, periodo 2004 - 2009: USD32.3 millones
- JAICA, Promoción del Crecimiento Económico y Empresarial, periodo 2005 – 2009: USD908,000.00

7. Describe any key trade development priorities that are constrained by lack of donors' funding?

En términos generales de las actividades o prioridades de trabajo listadas anteriormente que tengan limitaciones por falta de financiamiento destacan las siguientes:

- investigación y desarrollo tecnológico: incluye actividades que buscan aprovechar la capacidad de las instituciones académicas y centros de investigación tecnológica existentes, en el país como a nivel regional e internacional, con el objeto de resolver problemas puntuales de tecnologías de la producción en el sector primario, secundario o terciario, así como facilitar la posibilidad de generar un mayor potencial competitivo en sectores particulares. Se requieren recursos para actividades como el desarrollo de proyectos de investigación para mejoras de insumos, el diseño de soluciones tecnológicas para la optimización de procesos en la cadena de valor, el desarrollo de métodos de pruebas técnicas de productos, técnicas de cultivo, desarrollo de infraestructura, entre otras actividades.
- asesoría y capacitación técnica y empresarial: incluye asesorías, cursos, seminarios y talleres de capacitación en temas de gestión empresarial y en asuntos técnicos cuyo objetivo sea mejoras en la capacidad empresarial, gestión ambiental y competitividad comercial del sector.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

8. Describe the internal governmental coordination process to prepare your trade development strategy.

Con el fin primordial de contar con la permanente colaboración, participación y asesoría del sector público y privado en aspectos relacionados con el comercio y el proceso de apertura, se crearon las siguientes Comisiones:

- Consejo Consultivo de Inversiones y Exportaciones. Sus funciones principales son: asesorar al Ministro de Comercio e Industrias en materia de inversiones y comercio exterior, recomendar la política que se seguirá en las negociaciones de convenios, acuerdos o tratados, en materia de comercio exterior, entre otras.
- Comisión para las Negociaciones Comerciales Internacionales. Adscrita a la Dirección Nacional de Negociaciones Comerciales Internacionales, sus funciones principales son: participar en las reuniones preparatorias para los acuerdos, tratados o convenios, que se negocien en materia de comercio exterior, con el fin de definir los argumentos de defensa frente a demandas de otros socios, y colaborar para que se tengan presentes los mejores intereses de la República de Panamá.
- Comisión para la Promoción y Asistencia a la Inversión. Adscrita a la Dirección Nacional de Promoción de la Producción y la Inversión, sus funciones principales son: recomendar en materia de fomento, las inversiones en el país, incluyendo el apoyo a los inversionistas y la elaboración de programas que promuevan la imagen de Panamá en el extranjero, entre otros.

- Comisión para la Promoción de las Exportaciones. Adscrita a la Dirección Nacional de Promoción de la Producción y la Inversión, cuyas funciones principales son: recomendar los elementos de la estrategia nacional de promoción de exportaciones; al mismo tiempo, promover las exportaciones panameñas y la transferencia de tecnología al sector productivo, entre otras.

Todas estas comisiones están integradas por un representante del Ministerio de Comercio e Industrias, que normalmente la preside, y cuenta con la participación de las entidades gubernamentales relacionadas con estos temas y con representantes de los principales gremios empresariales del comercio, industria, agropecuario y exportadores.

Es importante señalar que si bien las instituciones antes indicadas, que participan en comisiones, son nominadas según la Ley, otras instituciones o direcciones adscritas a ciertos Ministerios, igualmente participan activamente en la dinámica del comercio exterior. Tal es el caso de la Dirección General de Aduanas, el Instituto de Mercadeo Agropecuario, el Instituto de Investigaciones Agropecuarias, la Autoridad de la Micro, Pequeña y Mediana Empresa, la Secretaría Nacional de Ciencia, Tecnología e Innovación, el Ministerio de Educación y el Instituto Nacional de Formación Profesional.

OWNERSHIP

Refers to partner countries exercising effective leadership over their development policies and strategies and coordinating development efforts.

9. **What needs assessment tools do you use to formulate your trade development strategies (do you use diagnostic studies, e.g. such as those prepared under the Integrated Framework?)**

La formulación de las estrategias de fomento del comercio (La Estrategia Nacional de Comercio 2004 – 2009 y otros Instrumentos como el Programas de Competitividad Nacional, Programa de Agenda Complementaria) se construyen partiendo de la situación actual, es decir, a partir de **estudios de diagnóstico**, que toma en cuenta el cambiante entorno internacional, recoge la Visión del Desarrollo Nacional a corto, mediano y largo plazo, identifica los obstáculos existentes y plantea objetivos y políticas necesarias para eliminar los obstáculos y realizar la Visión Nacional. En este sentido, la Estrategia es una “hoja de ruta” que orienta y guía hacia la consecución de los objetivos nacionales.

En este sentido los diagnósticos sectoriales ha permitido identificar lo siguiente:

- Los sectores de mayor potencial competitivo en una economía pequeña son aquellos cuya demanda proviene del extranjero, ya que el mercado interno crece poco y de manera irregular. El transporte internacional y sus actividades asociadas (logística) sera un motor del crecimiento del país en los próximos años. Está liderado por el Canal y por los puertos marítimos: el primero requerirá una expansión en la próxima década para adecuarlo a las nuevas demandas derivadas del tamaño de las naves; y los segundos pueden crecer en el servicio a los contenedores.
- Las telecomunicaciones internacionales tienen capacidad de apoyar al país en proyectos de cuentas de llamadas, “web - hosting” y otras actividades similares. La apertura del mercado de telefonía fija y local y de larga distancia a inicios del 2003 tenderá a reducir los costos de todas las empresas en el país.
- El turismo ha empezado un desarrollo importante, especialmente por el negocio de cruceros en el circuito del Caribe. Se requiere una mejor infraestructura de carreteras hacia el interior del país, la habilitación de pistas aéreas fuera del área metropolitana y una mejor preparación de la mano de obra para dar servicios a los visitantes.

- La agro-industria tiene potencial en el área de procesamiento de frutas tropicales, en la ganadería de carne y en el procesamiento de camarones, y cultivos de hortalizas bajo invernadero. El interior del país requiere de caminos de producción que reduzcan los costos de transporte interno hasta los puertos de exportación. En las provincias centrales y en algunas otras regiones es indispensable un programa extensivo de riego para poder dotar a los productores de capacidad de producción durante todo el año. Desafortunadamente, muchos de los requerimientos de los sectores competitivos están vinculados al gasto público. Se necesita una política ágil y transparente de concesiones administrativas que amplíe la inversión en infraestructura sin recurrir directamente a los recursos del Tesoro Nacional.

10. How do you involve key stakeholders (including the private sector and civil society) in the identification of your trade development challenges and opportunities?

La participación de los actores y entidades interesadas se promueven a través de desarrollo de talleres participativos con los actores claves, tomadores de decisiones y agentes de cambio. Por ejemplo, el desarrollo de la Estrategia Competitiva Nacional inicia con el diseño de un borrador elaborado por el grupo de competitividad (actores del sector público y privado), que luego se valida a través de un taller, donde participará el Grupo Competitividad ampliado y los líderes de los clusters de negocios.

La metodología de trabajo anterior genera un punto de encuentro para el diálogo y el consenso sobre la visión de país que se desea alcanzar. Además, permite que los actores interesados vean reflejados sus objetivos de desarrollo sectoriales y de país en la estrategia, siendo proactivos en la ejecución de los componentes de la estrategia y el desarrollo de las actividades.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

11. Are external partners using your policy planning and budgeting framework as a basis for their aid-for-trade support?

Gobierno de Panamá cuenta con el Departamento de Cooperación Técnica Internacional adscrito al Ministerio de Economía y Finanzas MEF, el que tiene por objetivo coadyuvar con el desarrollo nacional, de acuerdo a la estrategia, el plan nacional de desarrollo, y/ o los programas de gobierno, aprovechando la oferta y demanda de recursos reembolsables y no reembolsables en beneficio de todos los sectores del país, tanto públicos como privados.

El programa de trabajo del Departamento de Cooperación Técnica Internacional del MEF, tiene como contexto básico los lineamientos del Plan de Trabajo del Gobierno, que se fundamenta en la "Visión Estratégica de Desarrollo Económico y de Empleo 2005 – 2009". Otro elemento complementario importante para nuestra labor lo constituye "Los Objetivos de Desarrollo del Milenio" y sus metas asumidas como compromiso por los países miembros del Sistema de las Naciones Unidas.

La cooperación internacional se planifica y gestiona sobre la base de prioridades sectoriales y en función del crecimiento económico, la generación de empleo, el desarrollo de capital humano, la reducción de la pobreza y la modernización del Estado. Dentro de este marco se prioriza la programación, presupuestación, gestión, negociación, coordinación y seguimiento de programas y proyectos de cooperación y/o ayuda técnica y científica que ejecutaron diversas instituciones gubernamentales con el apoyo técnico y financiero de fuentes de cooperación bilaterales, regionales y multilaterales, sean estas para apoyo al comercio o no. En este sentido se coordina que los objetivos

nacionales estén correlacionados con la gestión de la ayuda o cooperación para el fomento del comercio y otras actividades.

12. How well do aid-for-trade flows reflect your government's trade development priorities and what aid management information system do you use?

En el marco de los Programas de Cooperación Sur – Sur, se realizaron Comisiones Mixtas de Programación y Evaluación de los Programas de Cooperación Técnica y Científica con los Gobiernos de Chile, Colombia y México, para desarrollar proyectos de capacitación y asistencia técnica de corta duración, en temas de Salud, Educación, Medio Ambiente, Ciencia y Tecnología, Gestión Pública, Modernización del Estado, Desarrollo Productivo y Comercial, Gobernabilidad, y Desarrollo Social. El mecanismo de comisiones permite que la ayuda externa se canalice hacia aquellos sectores y actividades prioritarias de acuerdo a los objetivos de desarrollo del país y la estrategia de comercio exterior.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

13. How do you encourage external partners to coordinate their trade related analyses and programming? Where, if at all, are the main coordination gaps?

El seguimiento y evaluación se realiza a través de mecanismos de coordinación diseñados entre el donante y el organismo o entidad receptora de los fondos de ayuda.

La inclusión de los asociados externos en la coordinación de las actividades de ayuda al comercio se logra a través del seguimiento y evaluación de los productos y/o resultados, así como la creación de grupos interagenciales y las visitas de campo conjuntas con las contrapartes y aliados. Nacionales. En forma adicional, se definirán indicadores de orden cuantitativo como cualitativos para medir los avances. Por esta razón, una de las acciones de este marco de cooperación es precisamente fortalecer la generación de información para el monitoreo de los avances sociales y económicos y la capacidad del país para hacer seguimiento de los logros y limitaciones en el marco de la estrategia nacional de comercio.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

14. How do you measure the success of your trade development and aid-for-trade strategies?

En la Estrategia Nacional de Comercio que tiene nuestro país, como se mencionó anteriormente, se contempla cuidadosamente generar significativos aportes en las metas propuestas que tiene el Gobierno Nacional y que se encuentra formulado en la “Visión Estratégica de Desarrollo Económico y de Empleo hacia el 2009” y que, en conjunto con las otras instituciones que constituyen el Estado y la sociedad panameña, tienen planteado.

El éxito, por lo tanto, se mide en base a la relación e impacto en forma ponderada, de los resultados obtenidos respecto a estos indicadores. Esto significa que se considera cuanto están aportando las diferentes actividades que se desprenden del comercio a la Estrategia Nacional. Seguidamente anotamos las metas nacionales en el período 2004 al 2009, contempladas fundamentalmente en los ejes que corresponden a la disminución de la pobreza y al crecimiento económico, tal como sigue:

Reducir la pobreza y mejorar la distribución del ingreso, mediante acciones encaminadas a objetivos como el de reducir de 40 a 32 el porcentaje de la población pobre de Panamá; reducir las diferencias de ingreso entre los grupos que hoy obtienen los mayores y menores ingresos en nuestra economía, y reducir la mortalidad infantil – mejorando al mismo tiempo la nutrición y la esperanza de vida – entre los sectores más afectados por la pobreza y, en particular, entre la población de las comarcas indígenas.

Una política de crecimiento económico para la generación de empleos, que incremente el Producto Interno Bruto por habitante de B/4500 a B/5200; eleve el crecimiento anual promedio de ese Producto Interno Bruto por habitante desde menos del 1.1% al 2% o al 3%; incremente el valor de las exportaciones reales netas por habitante de B/1250 a B/1650; incremente la inversión en capital fijo nacional del 17% al 25% del Producto Interno Bruto; eleve la tasa promedio de crecimiento anual del empleo formal del 2.3% al 2.9%, y disminuya del 32% al 23% la tasa de desocupación urbana para mujeres menores de 30 años.

En este sentido, la Estrategia Nacional de Comercio 2004 – 2009, establece indicadores o metas a alcanzar que resultan de la implementación de las acciones contenidas en la estrategia y los programas de apoyo, en este sentido entre las metas cuantificables más relevantes que permiten medir éxito destacan:

> **Metas a mediano plazo (2007)**

- > Aumentar las exportaciones en un 15%
- > Aumentar las exportaciones de productos no tradicionales en un 10%
- > Fomentar la exportación en 20 nuevas empresas panameñas
- > Instalación de 5 nuevas empresas internacionales en Panamá

> **Metas a largo plazo (2009)**

- > Aumentar las exportaciones en un 32%
- > Aumentar las exportaciones de productos no tradicionales en un 20%
- > Fomentar la exportación en 40 nuevas empresas panameñas
- > Instalación de 20 nuevas empresas internacionales en Panamá

En términos puntuales, el éxito de la ayuda al comercio se mide a través del logro de las metas que establecen cada uno de los programas. Por ejemplo, a través del Proyecto de Libertad Económica: Una Economía Abierta, Diversificada y en Expansión financiado por USAID, se enfoca en el incremento de la competitividad de manera que beneficie con amplias oportunidades de inversión y comercio, y del mejoramiento del manejo y conservación de las cuencas críticas, incluyendo la Cuenca Hidrográfica del Canal de Panamá. Las actividades están diseñadas para: 1) fortalecer la capacidad comercial, reducir las barreras empresariales, y fomentar la integración de mercado; y 2) apoyar el manejo integral sostenible de las cuencas críticas.

Con respecto al componente de desarrollo empresarial del programa, se adoptó un enfoque con múltiples finalidades para ayudar a Panamá a implementar el acuerdo de libre comercio bilateral que se anticipa con los Estados Unidos y el mejoramiento de su competitividad empresarial global. Este esfuerzo está ganando apoyo público-privado.

Logros Más Importantes:

- La Autoridad del Canal de Panamá, socio clave de la USAID, acogió un mecanismo participativo para patrocinar y manejar conjuntamente actividades demostrativas dirigidas por organizaciones no gubernamentales en la Cuenca Hidrográfica del Canal.

- La adopción de una política para promocionar granjas ganaderas sostenibles que transformen el uso de la tierra en las laderas vulnerables, en bosques forestales secundarios en la Cuenca Hidrográfica del Canal.
- La adopción de una política crediticia para financiar proyectos de ganadería sostenible en la Cuenca Hidrográfica del Canal.
- El desarrollo e implementación de un sistema de monitoreo amplio para evaluar la salud ambiental de la cuenca con la participación de varios ministerios claves, coordinado por la Comisión Interinstitucional de la Cuenca del Canal.
- La implementación de veintiuna actividades de demostración para la conservación y generación de ingresos en las sub-cuencas críticas dentro de la Cuenca Hidrográfica del Canal de Panamá. Como resultado, los beneficios a largo plazo de planificación del uso de la tierra ambientalmente racional, prácticas agrícolas, y políticas sostenibles, están ganando aceptación y alentando la participación activa de todos los socios de la cuenca, incluyendo al usuario del recurso primario, comunidades y gobierno local, y al sector privado comercial.
- La formación del primer comité multi-sectorial para el manejo de las sub-cuencas, para desarrollar e implementar planes de manejo estratégico de una manera descentralizada.
- El establecimiento de una sociedad pública-privada entre la Autoridad Nacional del Ambiente (ANAM) y el sector privado para la ejecución de una nueva ley de concesiones que permita generar ingresos adicionales en las áreas protegidas, incluyendo las dos más importantes en la Cuenca Hidrográfica del Canal.
- La formación de una nueva alianza público-privada, dando como resultado el establecimiento de un conglomerado turístico para promover un nuevo circuito turístico: “El Sendero Ecológico entre Dos Mares”.
- La creación de nuevas fuentes de trabajo para residentes en las comunidades aledañas, como fruto del desarrollo eco-turístico y del mejoramiento del manejo de las áreas protegidas.

Para cada proyecto o área de trabajo se diseñan indicadores de seguimiento de las actividades del proyecto que den cuenta del impacto de las actividades desarrolladas.

15. Do you cooperate with donors and other stakeholders in joint monitoring and evaluation of aid-for-trade programmes?

El Gobierno de Panamá a través de sus instituciones fomenta y promueve una cultura de transparencia de la gestión pública. En este sentido, el país coopera con las entidades donantes en el seguimiento y evaluación de programas, con miras a fortalecer el proceso de rendición de cuentas.

Por otro lado, el Estado panameño realiza esfuerzos por mejorar, con transparencia, la eficiencia y la efectividad de su gestión. En este andar se fortalecen los sistemas de información y comunicación, no sólo para mantener informada a la ciudadanía sobre el manejo de los recursos sino para mantenerla al tanto de los avances en la gestión administrativa del Estado. El seguimiento institucional es igualmente importante para cumplir con la doble finalidad de mejorar la eficiencia y eficacia de los servicios y los programas de ayuda. Promoviendo una evaluación participativas de los avances en la implementación de los programas de ayuda al comercio y en otras áreas.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

16. The WTO Task Force recommended establishing “A National Aid-for-Trade Committee, where necessary, to ensure trade mainstreaming in national development strategies, determine country needs, set priorities, assist in matching ‘demand’ and ‘response’, and help in evaluation.” Has such a Committee, or an equivalent body, been established in your country?

Aun no se ha establecido un Comité para el seguimiento exclusivo de la ayuda al comercio. Sin embargo, el Gobierno de Panamá cuenta con el Departamento de Cooperación Técnica Internacional adscrito al Ministerio de Economía y Finanzas MEF, el que tiene por objetivo coadyuvar con el desarrollo nacional, de acuerdo a la estrategia, el plan nacional de desarrollo, y/ o los programas de gobierno, aprovechando la oferta y demanda de recursos reembolsables y no reembolsables en beneficio de todos los sectores del país, tanto públicos como privados.

Entre las funciones más destacadas están:

- Aprobar la programación de cooperación técnica externa de las entidades del estado y coordinar con las unidades administrativas respectivas, la formulación del programa de cooperación técnica y recomendar las prioridades de acuerdo a la estrategia de desarrollo nacional.
- Procurar, estudiar y aprobar la programación de la cooperación técnica que guardan relación con las entidades no gubernamentales.
- Dar seguimiento y evaluar la efectividad del programa y proyectos de cooperación técnica que se desarrollan en las instituciones del sector público, y presentar informe periódicos de su avance.
- Coordinar con la Unidad Administrativa responsable en el Ministerio de Relaciones Exteriores, la participación del MEF, en las negociaciones de proyectos de cooperación técnica internacional.

17. Describe the process and key actors (such as donors, private sector-representatives, etc.) involved in reviewing progress toward fulfilment of your aid-for-trade and trade development commitments?

Los instrumentos con los que se operativiza la cooperación o ayudas al comercio y otras áreas son por un lado, los Convenios, Acuerdos, Memorandos de Entendimiento y Comisiones Mixtas suscritos. Por otro, los programas acordados con fuentes multilaterales como el PNUD, UNFPA, UNICEF, OIEA, BID, BM, OEA y la CAF. Es importante destacar la cooperación bilateral de la AECI (España), JICA (Japón), AID (Estados Unidos), AGCI (Chile), FOAR (Argentina), ACCI (Colombia), IMECXI (México) y APCI (Perú), con las que se acordaron programas anuales, bienales, trienales y quinquenales con acciones de capacitación, asesoría técnica, y pasantías. Cada uno de estos programas establece los mecanismos conjuntos de seguimiento de los objetivos y metas de los programas o proyectos receptores de las ayudas.

PERU

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. *What priority is accorded to trade development in your country's economic growth/national development/poverty reduction strategy?*

El comercio internacional en el Perú tiene alta prioridad como estrategia de crecimiento económico, desarrollo y reducción de la pobreza. Uno de los documentos con mayor reconocimiento sobre la política de desarrollo nacional del país es el Acuerdo Nacional. Dicho documento establece como uno de los cuatro ejes centrales el fomento y mejora de la competitividad del país, en virtud de lo cual asumió el compromiso de desarrollar agresivamente el comercio exterior, en base a una alianza estratégica entre un Estado promotor y el sector privado. Por otro lado, el Plan Estratégico Nacional Exportador (PENX) significa un esfuerzo de planificación del comercio exterior de mediano y largo plazo.

Asimismo, el gobierno ha establecido en la Política Nacional de Cooperación Internacional como uno de los doce Objetivos de Desarrollo Estratégico para la Cooperación Internacional (ODE), *Fortalecer la integración del Perú al Mercado Mundial*, el cual a su vez contiene cinco objetivos específicos.

Por otra parte, el Plan Nacional de Competitividad del país que contempla un conjunto de medidas a ser ejecutadas en el corto y mediano plazo para incrementar la competitividad del país, tiene como objetivo principal la inserción exitosa del Perú en el mercado global.

A nivel macro regional, el actual gobierno ha puesto en marcha el proyecto Sierra Exportadora, cuyo objetivo principal es desarrollar actividades que impulsen cadenas productivas en la sierra, área donde se concentra la población más pobre del país, de manera que los productores puedan articularse competitivamente a los mercados nacionales e internacionales.

2. *Do you have a government-wide trade development strategy and if so what are its main priorities? What time period does it cover?*

La estrategia de fomento del comercio a nivel nacional está planteada en el Plan Estratégico Nacional de Exportaciones – PENX, el cual considera como visión que el “Perú se convierta en un país exportador de una oferta de bienes y servicios competitiva, diversificada y con valor agregado”.

El PENX y sus componentes, han definido una agenda conjunta del sector público y privado para impulsar el desarrollo de la oferta exportable, la facilitación del comercio exterior, la promoción comercial y la cultura exportadora. Uno de los aportes principales del PENX es la participación coordinada con el sector privado, actor principal del comercio exterior.

No obstante que el PENX fue elaborado el año 2003 y cuenta con un horizonte hasta el 2013, se trata de un documento dinámico prueba de ello es que el primer semestre del 2007 de actualizó el Plan de

Facilitación de Comercio Exterior y durante el último trimestre del mismo año se actualizarán 8 de los 24 Planes Estratégicos Regionales de Exportación.

3. Does your trade development strategy specify aid-for-trade needs?

Las estrategias para el fomento del comercio son:

- Desarrollo de Oferta Exportable: Lograr una oferta estratégicamente diversificada, con significativo valor agregado, de calidad y volúmenes que permitan tener una presencia competitiva en los mercados internacionales.
- Negociaciones Comerciales Internacionales: Dirigir y ejecutar los procesos de negociaciones comerciales internacionales en el marco de su competencia, profundizando y consolidando el acceso de los bienes y servicios en los mercados internacionales y las disciplinas comerciales que regulan el comercio internacional que permitan un acceso efectivo.
- Desarrollo de Mercados de Destino: Diversificar y consolidar la presencia de las empresas, bienes y servicios peruanos en los mercados de destino priorizados.
- Facilitación y Acceso: Gestionar un marco legal estable para la inversión privada, la facilitación del acceso al financiamiento adecuado, el ofrecimiento de condiciones óptimas de competencia y el acceso a los servicios financieros y de distribución física de mercancías.
- Desarrollo de Cultura Exportadora: Lograr una cultura exportadora con visión global y estratégica que permita desarrollar capacidades de emprendimiento y buenas prácticas comerciales basadas en valores.

Respecto de las necesidades del sector comercio exterior se menciona:

- La implementación de las acciones o actividades de los diferentes planes estratégicos (Plan Estratégico Nacional Exportador - PENX, Planes Estratégicos Regionales de Exportación - PERX, Planes Operativos Sectoriales -POS, Plan Maestro de Facilitación de Comercio Exterior, Plan Maestro de Cultura Exportadora, etc). Para ello, se requiere captar fondos de cooperación que permitan financiar parte de ellas.
- Debido a que el proceso de formulación e implementación de la política de desarrollo de comercio exterior es dinámico, se deberá continuar con la formulación de nuevos planes estratégicos, así como con la revisión y actualización de los planes formulados hasta el momento. De esta manera, se podrá reflejar las condiciones y prioridades del país a lo largo del tiempo.
- Continuar con una participación activa en las negociaciones de la Organización Mundial de Comercio (OMC). Buscar la suscripción e implementación de acuerdos comerciales con socios estratégicos; por ejemplo, se requiere realizar estudios de factibilidad y evaluación de acuerdos y buscar iniciar negociaciones comerciales en el futuro son: Japón, Centro América, India, entre otros.

4. What are the main trade development challenges and opportunities you face which require collaboration with other countries in your region? Are these addressed in your trade development strategy?

Los principales desafíos para desarrollar el comercio en el Perú son:

- Fortalecer las capacidades productivas y de infraestructura necesarias para poder aprovechar la liberalización comercial y mejorar nuestra participación en el sistema de comercio internacional.
- Desarrollar y liberalizar la información sobre mercados internacionales y sobre los mecanismos de exportación a los productores.
- Capacitación a los micro empresarios y pequeños empresarios de los sistemas, información y herramientas para acceder al mercado internacional.

HOW MUCH AID-FOR-TRADE DO YOU RECEIVE?

5. *Have you costed your trade development strategy? What percentage of your trade development financial requirements do you expect to be funded by ODA?*

Respecto del proceso de implementación del Plan Estratégico Nacional Exportador (PENX), se ha elaborado el Programa de Inversión Pública, el estudio identifica los servicios que ofrecerá el Programa, los cuales son establecidos para el Plan Maestro de Facilitación de Comercio Exterior, Planes Operativos Sectoriales, Planes Operativos por Productos y Planes Estratégicos Regionales de Exportación. Respecto del costo del programa, el estudio plantea una adecuada descripción de los rubros que componen la inversión se ha estimado que la intervención total ascendería a \$ 90,332,361.

A través del proyecto de la Unión Europea (“Proyecto de Cooperación UE-Perú en Materia de Asistencia Técnica relativa al Comercio - Apoyo al Programa Estratégico Nacional Exportador PENX 2003-2013”), se utilizarán recursos por un total de \$ 18,428,145; en ese sentido, a fin de continuar con la implementación del PENX se requiere contar con el apoyo de la cooperación por un monto aproximado de \$ 71,904,216.

6. *Which activities do you consider are supporting your trade development strategy? Accordingly, how much aid-for-trade have you received by category for the period 2002-2005, and in particular in 2005?*

De los US\$ 584.6 millones de recursos que se ejecutaron en el Perú durante el año 2005, al ODE *Integración del Perú al mercado mundial*, que incluye cinco objetivos específicos, tales como: *Desarrollar un sistema comercial abierto y no discriminatorio, basado en reglas predecibles*, ii) *Contar con un marco legal que facilite y agilice el comercio exterior*, iii) *Ampliar y diversificar la oferta de las exportaciones con valor agregado, especialmente las no tradicionales*, iv) *Fortalecer las capacidades de negociación en función a nuestros intereses nacionales*, v) *Establecer una estrategia integral de promoción comercial y de búsqueda de nuevos mercados*; se destinó US\$ 6,194,480, es decir aprox. el 1% del total de cooperación internacional no reembolsable recibida durante el año 2005. Sin embargo, considerando que el desarrollo del comercio involucra actividades más allá de las propiamente comerciales, el volumen de recursos desembolsados para financiar proyectos relativos a la competitividad del país en general, ascendió a US\$ 38,742,152.57, es decir aprox. el 7% de la ayuda recibida durante dicho año.

7. *Describe any key trade development priorities that are constrained by lack of donors' funding?*

- Desarrollar e intensificar los sistemas de información del mercado mundial, relativos a la demanda, dirigido sobre todo a las MYPES y productores agropecuarios.
- Lograr una oferta estratégicamente diversificada, con significativo valor agregado, de calidad y que permitan tener una presencia competitiva en los mercados internacionales.

- Ampliar y mejorar la infraestructura necesarias para poder aprovechar la liberalización comercial y mejorar nuestra participación en el sistema de comercio internacional.
- Capacitación a los micro empresarios y pequeños empresarios de los sistemas, información y herramientas para acceder al mercado internacional.
- Desarrollar una cultura exportadora con visión global y estratégica que fomente capacidades de emprendimiento y buenas prácticas comerciales basadas en valores.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

8. *Describe the internal governmental coordination process to prepare your trade development strategy.*

En lo que se refiere a la competitividad del sector comercio y al Plan Estratégico Nacional de Exportaciones – PENX, se ha definido una agenda conjunta del sector público y privado para impulsar el desarrollo de la oferta exportable, la facilitación del comercio exterior, la promoción comercial y la cultura exportadora. Uno de los mayores aportes del PENX, es que promueve la participación conjunta con el sector privado, actor principal del comercio exterior.

Por otro lado, El Ministerio de Comercio Exterior y Turismo coordina con las regiones sobre las necesidades y diseño de estrategias de fomento al comercio, constituyéndose así los Planes Estratégicos Regionales de Exportación (PERX).

La articulación de los PERX constituye un gran reto en la medida en que tiene que estar basada en factores como la estructura de la demanda internacional versus la oferta exportable peruana, la priorización de regiones y productos, el trabajo conjunto con las autoridades regionales, y por sobre todo, la sensibilización de las regiones sobre la importancia de los PERX, para que lo hagan suyo y se comprometan con su ejecución tanto a corto como mediano y largo plazo.

OWNERSHIP

Refers to partner countries exercising effective leadership over their development policies and strategies and coordinating development efforts.

9. *What needs assessment tools do you use to formulate your trade development strategies (do you use diagnostic studies, e.g. such as those prepared under the Integrated Framework?)*

Respecto de la metodología de formulación y evaluación de las estrategias para el fomento del comercio, siempre en el marco de implementación del PENX, se puede mencionar: i) la validación de los planes con empresarios, entidades públicas y privadas, ii) la conformación de Comisiones de Exportación Regionales (CERX), y iii) la identificación de actores regionales que deben conocer y efectuar el seguimiento de los PERX.

Adicionalmente, para poder implementar satisfactoriamente las acciones o actividades de los diferentes planes estratégicos, se busca captar fondos de cooperación que permitan financiar parte de ellas.

10. How do you involve key stakeholders (including the private sector and civil society) in the identification of your trade development challenges and opportunities?

El PENX se elaboró con el concurso de la Comisión Multisectorial Permanente, la cual fue creada a través de un decreto supremo donde se designaban a las instituciones que la conforman (Cámaras de Comercio, Gremios, Ministerios, etc.).

En cada Región se ha constituido el Comité Ejecutivo Regional de Exportación (CERX), el cual tiene por objetivo crear en la Región una institucionalidad que permita implementar su Plan Exportador, una red de contactos público privados, así como servir de foro de apoyo al Proyecto Sierra Exportadora. Actualmente, diecisiete regiones cuentan con gerentes en sus CERX, los cuales están encargados de implementar los PERX de sus regiones y apoyar asociaciones de productores.

En la línea de asegurar la continuidad y ejecución de los PERX se ha diseñado las herramientas regionales necesarias para asegurar la ejecución del Plan Exportador, la creación de compromisos regionales y su articulación con las distintas instancias de gobierno y de la sociedad civil.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

11. Are external partners using your policy planning and budgeting framework as a basis for their aid-for-trade support?

La Unión Europea es el principal socio externo en nuestras políticas de planificación y presupuesto en materia de fomento del comercio. Esta fuente cooperante participa en los esfuerzos nacionales en uno de los componentes del Proyecto de Cooperación UE-Perú en Materia de Asistencia Técnica, denominado: *Apoyo al Programa Estratégico Nacional Exportador PENX 2003 – 2013*. Este financiamiento consta de un total de 14,606,963 Euros, tiene una aportación financiera de 10,000,000 Euros por parte de la Comisión Europea con fondos no reembolsables. El aporte de la Comisión nacional, por un monto de 4,606,932 Euros.

12. How well do aid-for-trade flows reflect your government's trade development priorities and what aid management information system do you use?

La Distribución de la Ayuda al Comercio a nivel mundial, según las categorías establecidas por la OECD, son: Políticas de regulación (10%), Infraestructura económica (50%) y Creación de capacidades productivas (40%).

En el Perú, la Cooperación Internacional No Reembolsable en el año 2005, dirigida a este tema, privilegió en cambio la Creación de capacidades (80%) sobre el de Infraestructura económica para el comercio (19%). Considerando que una de nuestras limitaciones para el desarrollo del Comercio es la infraestructura, este tema se configura como una de las prioridades para la cooperación internacional del país.

La Unión Europea, en el marco del PENX, ha programado el financiamiento de más de 350 actividades, dirigidas a la creación de capacidades, en la modalidad de intercambio a nivel de América Latina, tales como: (1) intercambio de experiencias entre los gerentes de los Comités Ejecutivos Regionales de Exportación (CERX) sobre temas de Comercio Exterior; (2) intercambio de experiencias en temas fitosanitarios; (3) intercambio de experiencias para promover nuevas experiencias de asociatividad y consolidar la oferta exportable para productores de distintas regiones; entre otros.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

13. How do you encourage external partners to coordinate their trade related analyses and programming? Where, if at all, are the main coordination gaps?

La Agencia Peruana de Cooperación internacional con el objetivo de mejorar la eficiencia en el uso de los recursos de cooperación, ha establecido las Mesas de Coordinación de los Donantes y el sector público. Estas Mesas tienen como objetivo coordinar las acciones de los donantes para orientar la cooperación internacional a las prioridades de cooperación existentes en cada sector. Actualmente está en proceso la implementación de la Mesa del sector de Comercio Exterior.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

14. How do you measure the success of your trade development and aid-for-trade strategies?

Cada uno de los planes expuestos se elabora en coordinación con instituciones del sector público y privado, y en ellos se identifica una serie de acciones o actividades que permitirán conseguir los objetivos estratégicos planteados a cuales se les hace el seguimiento. Así mismo, conjuntamente con las instituciones responsables se han definido las metas e indicadores de gestión para cada una de las acciones, las cuales están sujetas a implementación y monitoreo.

15. Do you cooperate with donors and other stakeholders in joint monitoring and evaluation of aid-for-trade programmes?

La elaboración de los Planes Estratégicos Regionales de Exportación (PERX) ha sido un esfuerzo conjunto de la cooperación SUIZA, la Agencia de los Estados Unidos para el Desarrollo Internacional - USAID y el Banco Mundial. Entre las fuentes cooperantes que se pueden mencionar como las principales en apoyar los temas relacionados al comercio se encuentran: la Unión Europea, el Banco Interamericano de Desarrollo, la Agencia Suiza para el Desarrollo y la Cooperación - COSUDE, el Reino Unido, España, la Corporación Andina de Fomento, entre otros.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

16. The WTO Task Force recommended establishing “A National Aid-for-Trade Committee, where necessary, to ensure trade mainstreaming in national development strategies, determine country needs, set priorities, assist in matching ‘demand’ and ‘response’, and help in evaluation.” Has such a Committee, or an equivalent body, been established in your country?

No se mantiene un Comité Nacional de Ayuda al Comercio; sin embargo, la APCI esta liderando, como pasos para la armonización de la cooperación, la formularon de propuestas que darán forma al plan de acción para la cooperación técnica internacional (CTI), el mismo que se enmarcará dentro los requerimientos de las “mesas de coordinación entre donantes”, las cuales reúnen a donantes y a las entidades publicas encargadas de cada sector.

Plan Nacional de Competitividad del país, el cual tiene como objetivo principal la inserción exitosa del Perú en el mercado global, está respaldada por numerosas instituciones públicas, tales como: El Ministerio de Comercio exterior y Turismo (MINCETUR), la Presidencia del Consejo de Ministros (PCM), el Ministerio de Economía y Finanzas (MEF), el Ministerio de la Producción (PRODUCE), el Ministerio de Relaciones Exteriores (MRE), Ministerio de Transportes y Comunicaciones (MTC), el Ministerio de Agricultura (MINAG), el Ministerio de Educación (MED), el Ministerio de Trabajo y Promoción del Empleo (MTPE), La Comisión de Promoción del Perú para la Exportación y el Turismo (PROMPERÚ); los gobiernos regionales y gremios vinculados al comercio exterior.

17. Describe the process and key actors (such as donors, private sector-representatives, etc.) involved in reviewing progress toward fulfilment of your aid-for-trade and trade development commitments?

La APCI esta implementando las mesas de coordinación de donantes y el sector público del país para que se integren a un “task force”, con el objetivo de armonizar y alinear los esfuerzos de los diferentes protagonistas de la cooperación en nuestro país. Se espera la participación activa del Ministerio de Comercio Exterior y Turismo a fin de que se efectivice la implementación los procesos y acciones delineadas en el PENX.

Adicionalmente, en el marco de la implementación del Plan Nacional de Competitividad, participan diversas entidades públicos y gremios vinculados al comercio exterior, descritas en la pregunta anterior.

PHILIPPINES

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. *What priority is accorded to trade development in your country's economic growth/national development/poverty reduction strategy?*

Trade development is accorded priority in the Philippines. The DTI has a rolling Philippine Export Development Plan (PEDP) the latest version of which is for the years 2005-2007. The PEDP focuses on traditional leading exports and identifies additional '10 revenue streams' as priority. The PEDP feeds into the Medium Term Philippine Development Plan (MTPDP) for 2004-2010 which addresses, among others, economic growth and job creation. The MTPDP aims to reduce poverty incidence to below 20% in 2009. A chapter is provided for trade and investment with an export target exceeding US\$ 50B by 2006.

2. *Do you have a government-wide trade development strategy and if so what are its main priorities? What time period does it cover?*

Yes, as mentioned above there are the PEDP and the MTPDP with respective timeframes.

3. *Does your trade development strategy specify aid-for-trade needs?*

Both the PEDP and the MTPDP will not have direct provisions on AFT *per se*. However, both focus on goals and strategies which conceptually are AFT in nature. The MTPDP targets, among others, to improve global competitiveness by:

- Making food plentiful at reasonable prices to make labor costs globally competitive;
- Reducing the cost of electricity through power sector reform;
- Modernizing infrastructure and logistics to make transport and related costs efficient;
- Mobilizing and disseminating knowledge to make our workers and manufacturing processes more productive; and
- Reducing red tape in all government agencies to reduce the cost of doing business.

There are also references to the modernization of the capital markets through adequate regulatory powers at par with global standards to protect creditor and investor rights as well as the mobilization of long-term savings. This includes managing inflation and fiscal risks critical to the development of the capital market.

The PEDP reflects the same competitiveness agenda but contains specific export strategies to pursue by markets and products.

4. What are the main trade development challenges and opportunities you face which require collaboration with other countries in your region? Are these addressed in your trade development strategy?

Both the PEDP and the MTPDP recognize the role of multilateral, regional, and bilateral collaboration to support trade and investment objectives and promote common interests.

HOW MUCH AID-FOR-TRADE DO YOU RECEIVE?

5. Have you costed your trade development strategy? What percentage of your trade development financial requirements do you expect to be funded by ODA?

The PEDP estimates that Philippine Peso 17B-22B is required to finance the incremental exports targeted in the next three years. There is no ODA specific or related provision in both plans. The PEDP looks at GFIs and commercial banks as the sources of financing for the working capital requirements of the export sector.

6. Which activities do you consider are supporting your trade development strategy? Accordingly, how much aid-for-trade have you received by category for the period 2002-2005, and in particular in 2005?

The WTO Technical Assistance and Training Plans are supportive of our trade development strategy in so far as our meaningful participation as presently understood under the multilateral trading system (MTS).

There is no available data yet for AFT as the mandate is fairly recent (i.e., 6th Ministerial Conference, Hong Kong, December 2005). There are, however, independent studies undertaken. One study that examined the WTO trade-related technical assistance (TRTA) for example, ranks the Philippines as no. 6 recipient of AFT for the period 2002-2004 in the amount of US\$ 1.5B citing WTO data base.¹ The WTO TRTA, however, is primarily training type activities and there is no capacity in the TRTA content to determine trade-related supply side assistance.

7. Describe any key trade development priorities that are constrained by lack of donors' funding?

Export promotion in key markets for key products is always hampered by lack of funds. As earlier mentioned, the Philippines needs P17B – 22B to finance incremental exports to attain a US\$50B export target for 2006.

1. Source: Internet, The Financial Architecture of AFT, International Lawyers and Economists Against Poverty, April 2006

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

- 8. Describe the internal governmental coordination process to prepare your trade development strategy.**

The Philippines has existing inter-agency mechanisms from the actual operational/working level to the Cabinet and the Office of the President for decision-making related to trade and investment.²

OWNERSHIP

Refers to partner countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

- 9. What needs assessment tools do you use to formulate your trade development strategies (do you use diagnostic studies, e.g. such as those prepared under the Integrated Framework?)**

The Philippines mainly consults with key stakeholders. The government takes into consideration any sensitivities raised by stakeholders during its consultations. The Philippines also participates in the annual gathering of inputs for the WTO Technical Assistance and Training Plan. The Philippines, however, is not categorized as belonging to the target recipients of the Integrated Framework (i.e., the LDCs).

- 10. How do you involve key stakeholders (including the private sector and civil society) in the identification of your trade development challenges and opportunities?**

Key stakeholders are consulted through conferences and workshops in key regions and cities under the decision-making process.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

- 11. Are external partners using your policy planning and budgeting framework as a basis for their aid-for-trade support?**

We have no such information.

- 12. How well do aid-for-trade flows reflect your government's trade development priorities and what aid management information system do you use?**

The WTO's Technical Assistance and Training Plan are supportive of our trade development strategy in so far as meaningful participation in the WTO (e.g., building partial capacity to comply with global standards). The assistance, however, consists of mainly training activities to understand the WTO Agreement and will not cover boosting trade finance, enhancing trade-related infrastructure, building capacity for trade facilitation neither supporting trade adjustment.

2. This mainly refers to the Cabinet Tariff and Related Matters (TRM) Committee.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

13. How do you encourage external partners to coordinate their trade related analyses and programming? Where, if at all, are the main coordination gaps?

We discuss with donors and developed Members actual capacity building measures including trade-related technical assistance to avoid duplication and to tailor-fit their assistance to specific country requirements.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

14. How do you measure the success of your trade development and aid-for-trade strategies?

In so far as export targets (e.g., US\$ 60B for 2007) our PEDP and MTPDP are fairly on track to meet the targets. Both plans, however, will not contain specific AFT strategies as understood in this questionnaire.

15. Do you cooperate with donors and other stakeholders in joint monitoring and evaluation of aid-for-trade programmes?

We are willing to cooperate if there is joint development, monitoring and evaluation of AFT programmes.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

16. The WTO Task Force recommended establishing “A National Aid-for-Trade Committee, where necessary, to ensure trade mainstreaming in national development strategies, determine country needs, set priorities, assist in matching ‘demand’ and ‘response’, and help in evaluation.” Has such a Committee, or an equivalent body, been established in your country?

An AFT Committee per se has not been specified in our internal mechanisms nor has one been established given that the WTO mandate is very recent (i.e., December 2005). The WTO itself is still in the process of undertaking worldwide AFT reviews to determine specific courses of actions.

17. Describe the process and key actors (such as donors, private sector-representatives, etc.) involved in reviewing progress toward fulfilment of your aid-for-trade and trade development commitments?

We undertake regular and periodic consultations with major stakeholders as part of our internal decision-making process. The stakeholders include the private sector including business and NGOs, the academe, local government units and other government entities. AFT, per se, however, may not be consciously mentioned as the concept itself is of fairly recent origin and is still being contextualized.

PORTUGAL

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Portugal, in the field of Aid for Trade, follows the EU commitments at international “fora” attaching great importance to the EU Trade and Development Agenda. In this context Portugal will integrate in its own development Strategies and programming the orientations emerging from the future EU Aid for Trade Strategy, which is being discussed at the Council. This will be implemented in coherence with the UE debate and the orientations on aid effectiveness, namely on complementarity and division of labour between the EC and MS, based on the principle of comparative advantages. Indeed, Portuguese bilateral cooperation is concentrated in a few sectors, mostly, justice, health, education and cross-cutting institutional capacity building.

Portugal fully agrees with the key elements that integrate the project of the EU Strategy on Aid for Trade, in particular in what concerns policy coherence for development, and the importance of the enlarged categories of the Aid for Trade and the priorities to the Least Development Countries (LDCs), in particular those of the ACP Group.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Portugal follows the main progresses made since December 2005 at EU level namely through the work is now being done in order to finalize the EU Strategy in time to the WTO Global annual Review and will make efforts to contribute to the commitments made by the EU in this area, in particular to the enlarged Aid for Trade (trade-related infrastructures, building productive capacity, trade-related adjustment and other trade-related needs).

3. How does this strategy address regional aid-for-trade challenges?

Portugal’s main partner countries, with the exception of Timor-Leste, are all situated in the sub-Saharan Africa. Therefore, they all share common needs to which the Portuguese cooperation tries to address also in a regional framework. Most of these countries are also considered fragile states. Portugal emphasises that the nature of the problems facing those countries calls for a concerted multilateral and bilateral response, mostly, because key national institutions are weak and need to be stimulated towards self-sufficiency and entrepreneurship. ODA plays here an important role. The most objective when it comes to modernising economies that are finding it hard to achieve international economic integration, and making them more dynamic, is building a market economy that works properly. In turn, a fair and efficient market economy requires the development and permanent consolidation of a strong institutional basis.

It can be no sustainable development without private sector investment and dynamism. A development strategy requires the creation of conditions that foster private sector activity. Portuguese

development cooperation will support the consolidation of market economies in its priority countries, both through IPAD (Institute for Portuguese Development Assistance) and through a new institution that is to be created within the ongoing process of development cooperation reform. IPAD, geared towards ODA, shall act primarily with the view to support the creation of an environment conducive to the development of market economies – i.e. in the field of justice, training, micro-credit and technical assistance, among others. Portugal is also creating a new financial institution. The core mandate will be to promote the advancement of those economies which benefit from Portuguese ODA, while supporting sustainable development, particularly through the involvement of Portuguese enterprises. This institution shall primarily seek to meet the challenges described under Chapter II.B of the Monterrey Consensus.

This new institution will be primarily financed by public funds, but the private sector will be strongly represented. It may also join the EDFI association and thus become a partner of the European Commission and the European Investment Bank within the context of the Cotonou Agreement.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. ***How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?¹***

Portugal uses the OECD CRS to report on global volumes of aid-for-trade, adopting the definition of aid-for-trade provided by the WTO Task Force.

METHODOLOGY

5. ***How do you allocate the aid-for-trade share in individual projects and programmes?***

The aid-for-trade share is allocated in accordance with the main partner countries development priorities, particularly the LDCs, PALOP and Timor-Leste, and adjusted to the predefined objectives of both parties.

COMMITMENTS

6. ***According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?***

Portugal uses the OCDE/CRS definition. The data are gathered in the annex table provided in the questionnaire.

PLEDGES

7. ***Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.***

No pledges have been made.

8. ***What is your medium-term (beyond 3 years) financial plan for aid-for-trade?***

Portugal does not have a defined medium term financial plan specifically for aid-for-trade.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

In the light of the fundamental role that trade and investment play in the promotion of economic development, Portugal has continued to bilaterally focus its assistance on market development programmes and actions and trade-related sectors – such as agricultural productivity and development of energy sources, including renewable ones – and to seek to promote a closer articulation between public cooperation and the so-called business cooperation.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

No. Within Portugal's human resources limitations, we try to focus our expertise in the areas related to Portuguese cooperation sector priorities.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

The cooperation initiatives of Portugal are targeted to strengthen the technical assistance that is focused on the so-called new topics in international trade or in areas such as Trade and Environment.

These initiatives are targeted at the technical and human institutional empowerment of the equivalent bodies in the ODA recipient countries. Most recently, Portugal has placed special emphasis on the so-called new topics in international trade and has proposed to support the beneficiary countries in the ongoing negotiations at the WTO, with a view to a multilateral framework for the different areas.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

Please see previous answer.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Portugal has a programming cycle of three or four years that results in the elaboration of a country-specific Indicative Co-operation Programmes (PIC), with a financial envelope. The PIC provides the

development co-operation framework for each priority country and are negotiated every through a consultive process. They are based on the country's own poverty strategies or the equivalent and signed by the authorities on both sides.

HARMONISATION

Refers to donors actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

No.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Portugal does not have regional or multilateral programmes in the area of aid-for-trade.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

The objectives are mentioned in question 3. Our time frame relates to Portugal's programming cycle – 3 or 4 years. Since aid-for-trade is not a priority sector we don't established specific measurement for that kind of intervention.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Until now we haven't made any evaluation in this area. In development cooperation evaluations in general we use the five DAC criteria.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Not yet.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

No.

SINGAPORE

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Singapore has been sharing our development experiences with other countries in the form of technical assistance under the Singapore Cooperation Programme (SCP) since its inception in 1992. To date, the SCP has trained more than 50,000 participants from 166 countries in a wide range of fields.

As a strong supporter of free trade, Singapore has committed substantial resources to help strengthen the human resource and institutional capacity of developing countries in harnessing trade as an engine of growth and development. Through the SCP, Singapore has been organising technical assistance programmes on trade policies and regulations to equip developing countries with the requisite knowledge on trade opportunities and skills to access them. We also formulate a range of programmes to help enhance the economic infrastructure and productive capacity of developing countries in fields such transport and logistic management, customs administration, tax systems, product testing.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

To facilitate a successful Doha Round, Singapore has focussed our attention on assisting other developing countries to strengthen their knowledge of the trade opportunities and capacity to benefit from them. Since the December 2005 WTO Ministerial Conference, we have committed additional resources to programmes targeting specific areas. We have also enhanced our programmes by co-ordinating closely with the WTO and other international partners (such as the IMF, ITC, WIPO, Commonwealth Secretariat, JICA and the EU, among others) in organising more joint technical assistance programmes in trade-related fields.

3. How does this strategy address regional aid-for-trade challenges?

Singapore's strategy has helped to raise the overall awareness of other developing countries of the opportunities for trade and development in an open world market and to strengthen their national capacity to tap on these opportunities. This has helped other developing countries to be better placed to participate more effectively in the multilateral trading system.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

The SCP conducts a wide range of programmes, focussing on trade policy, building up economic infrastructure and increasing the productive capacities of developing countries, to enable them to participate more effectively in the multilateral trading system. These programmes include courses, workshops, study visits and attachments. On trade policy and regulation, the SCP programmes cover trade policy and planning; trade liberalisation; regional trade agreement; trade negotiation and facilitation; dispute settlement; custom clearance; border management; and promotion of international trade; and investment. On economic infrastructure, the programmes cover sea and airport management; logistics and distribution; and Information, Communications and Technology. On increasing production capacity, the programmes cover banking; trade financing; enterprise development and competitiveness; and seafood safety codes. At the general support level, the SCP organises programmes and study visits, focussing on Singapore's experience in macroeconomic reforms and trade liberalisation.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Given that the SCP programmes are targeted at specific fields related to trade, the aid-for-trade share in these individual specific programmes is 100%. Overall, more than 60% of the SCP's scope of activities is targeted, directly or indirectly, at enhancing other developing countries' capacities to participate more effectively in the multilateral trading system.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

For the period of 2002-2005, actual disbursement to aid-for-trade is S\$37 million. For 2005, the actual expenditure amounted to about S\$10 million.

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

Singapore did not make any specific aid-for-trade pledges at the December 2005 WTO Ministerial Conference. However, Singapore has continued to allocate sufficient resources to programmes which serve the objectives of aid-for-trade.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Singapore remains committed to its efforts and assistance in raising the capacity of other developing countries to integrate into the multilateral trading system. Additional resources will be allocated as and when necessary and based on our overall capacity to contribute. Singapore will also strengthen

our collaboration with the WTO and other multilateral, regional and bilateral partners, and nurture new international partnerships in Third Country Training Programmes (TCTP) to deliver projects that can better meet the needs and requirements of their participants.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

Given Singapore's firm belief in harnessing trade to attain growth and development, trade-related capacity building programmes have been mainstreamed into our development strategy and programming. As noted earlier, a substantial proportion of Singapore's technical assistance programmes has and will continue to be geared towards enhancing the trade-related capacity and infrastructure of other developing countries, particularly those within our region.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Singapore has continuously built on our existing pool of experts to effectively implement our development programming strategy. Singapore also sends our experts for continuous training programmes, to enable them to keep abreast of the latest trends and developments. We also work closely with key multilateral, regional and bilateral partners, such as the WTO, IMF, ESCAP and Commonwealth Secretariat, to improve and update our joint programmes and benefit other developing countries, especially those within our region.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

Singapore has leveraged on own development experience to promote the benefits of more open world markets, in our interactions with other developing countries under the SCP. During our consultation with these countries, we make a conscious effort to identify training programmes relating to trade skills, economic infrastructure and productive capacity that would help facilitate trade and development in them.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

Singapore has actively supported international events that promote and facilitate dialogue on trade and development issues. In addition, the SCP organises a range of training and study visit programmes for senior officials who are in a position to shape domestic opinions and/or provide policy advice to their governments. We have also invited policy makers and senior officials to Singapore to observe first-hand the critical role that trade has played in the development of Singapore.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Under the SCP, we have been designing programmes based on our technical expertise and experience in specific areas, while taking into account the development needs of other developing countries, as well as their respective policy planning and budgeting frameworks. In line with the growing emphasis on aid alignment and coordination, we have also been working closely with our multilateral, regional and bilateral partners, such as the WTO, ESCAP, ITC, WIPO and Commonwealth Secretariat, in tailoring our trade programmes to the needs of developing countries.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

The SCP has forged more than 30 international partnerships with developed countries, international organizations and non-governmental organisations in conducting our TCTPs. Through these TCTPs, we have been able to mutually leverage on our partners' resources and align our efforts to bring about an optimal outcome.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Singapore's contribution to development assistance under the SCP has been increasing steadily over the years. Likewise for the amount allocated to trade-related capacity building programmes. The increases are made as and when necessary and within our overall capacity to do so.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

The main objective of the trade-related programmes conducted under the SCP is to build up the capacity of developing countries to participate effectively in the multilateral trading system. As development is an evolving and dynamic process, we do not set specific timelines. Some broad indicators of success include feedback from other developing countries on how they have benefited from our programmes, changes in their state of economic activities and trade volume, as well as any overall improvement in their standard of living.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Post-course surveys and evaluation sessions are conducted at the end of the programme to assess if the programme objectives have been met. Regular consultations are also held with other developing countries to evaluate the impact of the programmes conducted.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Singapore engages closely with other developing countries, donor partners, as well as stakeholders to co-ordinate, monitor and evaluate the implementation and outcome of our programmes.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Singapore conducts regular review sessions with other developing countries and TCTP partners to evaluate whether the programmes have achieved the policy and programme objectives.

SOUTH KOREA

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Korea is one of the few developing countries that have successfully achieved economic growth and development in a relatively short period of time. This success was derived largely from the integration of export-oriented industrialization and appropriate trade and economic policy measures into the overall development strategy of Korea. Since then, these experiences have diffused a strong belief that trade is indeed the engine for economic growth. We, therefore, support the expansion of the aid-for-trade initiative in developing countries, particularly the least developing ones, so that they might maximize the benefits from open trade regimes and better integrate into the world economy.

Korea's aid-for-trade strategy is based on a belief that a truly open trade regime should not only address market-access concerns, but also provide substantial resources and an enabling environment for the developing countries so that they may fully use of their comparative advantage and actively be involved in international trade.

As an emerging donor, Korea has been expanding its aid in terms of its scale and quality in order to contribute to sustainable development and poverty reduction in developing countries. Trade-related assistance has been implemented under the overall guidance of capacity building, technical cooperation, and particularly the sharing of Korean experiences in trade-oriented development strategy. Our aid policy also focuses on enhancing and strengthening the trade-related capacities of national stakeholders of developing countries as well as increasing awareness of the importance of mainstreaming trade policies into national development strategies.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Korea believes that the Hong Kong Ministerial Declaration, which Korea fully endorsed, provided a good opportunity for our country to reaffirm the importance of providing trade-related aid to developing countries. The Declaration was a timely input to the development and articulation of aid-for-trade strategy in Korea.

Korea also paid due consideration to the recommendations of the Aid For Trade Task Force adopted at the WTO General Council in October 2006. Among them, elements of country ownership, a results-based approach, and monitoring and evaluation were accordingly reflected in the formulation of Korea's trade-related aid strategy.

3. How does this strategy address regional aid-for-trade challenges?

Given that the total volume of trade-related aid is relatively small, a substantial share of Korea's aid-for-trade packages has been provided to developing countries on a bilateral basis. It is necessary for Korea to consider improving the trade-related infrastructure on a regional basis.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

Aid-for-trade is defined as all aid projects and programs financed by the government to enhance and strengthen the trade-related capacities of national stakeholders of developing countries in order to improve their level of knowledge, technical know-how, intellectual capacity and trade-related infrastructure.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Korea has implemented several programs for trade-related technical assistance and capacity building. Korea takes national development policies and development needs of partner countries into account when allocating aid-for-trade shares in individual projects and programs.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

Korea's aid-for-trade support amounted to US\$16.3 million in 2005, US\$1 million in 2004, US\$996,000 in 2003, and US\$885,000 in 2002.¹

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

Korea did not make any aid-for-trade pledges at the 2005 WTO Ministerial Conference. Subsequently, however, Korea has been committed to aid-for-trade as follows:

Bilateral Aft

- Approximately 3.8 million USD (preliminary estimate) in 2007

Multilateral Aft

- Korea-UNDP program, 1.62 million USD for 2007-8

1. From 2002-2004, amounts of support were derived only from programs implemented by Korea International Cooperation Agency(KOICA), but for 2005, KOICA programs and all other governmental programs classified as aid-for-trade were included.

- Contribution to UNCTAD IF-related program: 200 thousand USD for 2006
- WTO DDA Global Trust Fund, about 200 thousand USD annually (350 thousand USD committed for 2007)
- EIF (Enhanced Integrated Framework) Trust Fund, 1 million USD for 2007-2008 (pledged at the Stockholm Pledge Conference, 25th September, 2007)

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

At this stage, Korea does not have a specific medium-term financial plan for aid-for-trade. However, Korea does plan to double its aid for technical assistance by 2010, allocating 40% of this assistance toward “governance which includes support for aid-for-trade.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

As stated above, aid-for-trade strategy is guided by the overall strategy of capacity building and technical cooperation with special emphasis on the importance of trade-related assistance for the effective economic development of partner countries. Furthermore, Korea plans to establish the Country Assistance Strategies for 2008, which aim to reduce poverty and develop the economy based on the specific development needs of individual partner countries. Through these instruments, Korea will actively implement trade-related aid programs in the years to come.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Korea has not yet implemented programs to strengthen in-house aid-for-trade expertise. However, we are trying to formulate and strengthen the network among ODA implementation agencies and major trade research institutes and organizations. By strengthening these networks, we will share in-house expertise and implement trade-related technical assistance and capacity building programs.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

Weak political will and fragile economic infrastructure are a major hindrance to developing a strong trade development component in partner countries. Therefore, Korea focuses on improving trade capacity and increasing awareness of the importance of mainstreaming trade issues in national development strategies. Specifically, Korea provides consultations and recommendations based on Korea's experiences in the WTO, FTA, intellectual property rights, special economic zones and so on. This is expected to provide valuable and realistic input regarding export and investment policies.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

Korea is actively participating in policy dialogues in order to select appropriate sectors and programs for development in each partner country. As for trade-related programs, Korea is currently providing training education, dispatching Korean experts, and holding seminars on trade. Through these programs, we encourage trade officials and stakeholders of partner countries to improve their trade capacity and to become aware of the importance of mainstreaming trade issues.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Korea reflects the policy planning and budgeting cycle of partner countries in annual assistance plans and implementing individual programs.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Korea has not yet arranged a satisfactory coordination system with other donor countries for analyzing and programming aid-for-trade. However, we refer to other donors activities and programs as well as international ODA trends when developing our aid programs for individual partner countries. We plan to gradually consider and expand coordination with other donor.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Korea is considering expanding its aid-for-trade programs at the multilateral and regional level in tandem with its overall increase of ODA. A multilateral program such as the EIF is considered to be an effective channel for aid-for-trade and might well complement our bilateral aid efforts.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

To ensure effectiveness and local ownership, the main objective of Korea's ODA is to align individual projects and programs with the national development policies and strategies of our partner countries. Accordingly, when selecting and implementing assistance programs, Korea sets targets and goals that match the national development policies and strategies of partner countries. In the final phase

of the program, we can then evaluate how much the program has contributed to improving trade officials' capacity and to increasing their awareness of trade policy issues.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

For individual projects, we adopt the project design matrix(PDM) methodology for assessing, monitoring, and evaluating the results and outcomes. For technical assistance programs, including training and consultations, we evaluate the results through surveys and other tools of measurement. We also make sure to reflect the OECD evaluation measurements (relevance, effectiveness, efficiency, sustainability and impact) when assessing and evaluating aid programs.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Korea is actively participating in policy dialogues with other donors and stakeholders, but the issues are mainly of the overall development strategies of partner countries rather than specific projects and programs regarding aid-for-trade. We also cooperate with donor countries, partner countries and stakeholders through joint monitoring and evaluation for the joint training programs. This year, Korea initiated its support for the "Integrated Framework for Trade-Related Technical Assistance to LDCs," which should help enhance its joint monitoring and evaluation mechanisms for aid-for-trade programs.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Overall, Korea cooperates with partner countries, regional organizations, and other stakeholders to optimize individual programs and projects for aid-for-trade. Mid-term and final evaluations are conducted periodically in order to measure the progress, output, and results. As mentioned before, we work with other donor countries in joint monitoring and evaluation for the joint training programs thus far. Gradually, however, we will strengthen the cooperation with other donor countries in reviewing the progress of our aid policies and programs.

SPAIN

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Although Spain does not currently count with an actual document called “Aid for Trade (AfT) Strategy”, it does have an AfT strategy, which consists of both quantitative and qualitative elements.

Spain considers the Ministerial Declaration at the December 2005 WTO Conference as an important trigger to draw attention on the need to increase the aid devoted to trade related technical assistance and capacity building (TRTACB). In terms of Spanish TRTACB, we have committed more resources both at bilateral and multilateral level and we expect to continue increasing this kind of aid.

The qualitative elements include the following: the main objective of poverty reduction via economic growth and integration into the world economy; respect for the principles of the Paris Declaration; need for all actions to be demand-driven; emphasis on the private sector as a key player in this field; the importance of not neglecting middle income countries; the conviction of the need to go beyond the two first categories of AfT which the EU pledge refers to; the need to exploit further the potential offered by certain international financial and non-financial institutions in this area; the need to consider AfT in conjunction with other critical initiatives, such as the Partnership for Infrastructures in Africa; the need to work further on the monitoring and evaluation of AfT.

Spain’s strategy on AfT includes a relevant internal dimension, since it seeks to strengthen the time and resources devoted to the topic, both at headquarters and in the field.

All these elements will be explicitly introduced in the next Master Plan for Cooperation (2009-2012), upon which the next set of *Country strategy papers* will be drafted, possibly alongside a specific document called *Strategy (or Guidelines) on Trade and Development*, for which an interdepartmental Working Group, coordinated by the Ministry of Foreign Affairs and Cooperation has been created. This document will be independent from the existing *Strategy on the economic and entrepreneurial tissue*, which contains references to trade activities with an impact on commercial regulations and capacity-building, such as “Technical assistance for policy-making in the field of entrepreneurial enhancement”.

The next Master Plan will be the first to follow both a top-down and a bottom-up approach, building upon the findings of the first set of *Country strategy documents*, which will assess, among others, the commercial capacity of each partner country, thus following the demand-driven approach.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Since the December 2005 WTO Ministerial Conference, the strategy on AfT has substantially evolved.

Spanish policy-makers are increasingly focusing on development projects with a trade dimension.

Moreover, the international call for the need for coherence has had a considerable impact in Spain and led to an important document, drafted in 2006 by the civil society and the different departments within the public sector, on *Coherence for Development*. This document contains recommendations for the Spanish Administration on a variety of topics, trade counting among its ranks.

In this line, the Spanish Administration has reinforced its interdepartmental coordination, also in the area of trade and development. Thus, since 2005 the debate on AfT has been actively followed jointly by the Ministries of Trade and of Foreign Affairs and Cooperation, and decisions in the area (i.e. the Spanish strategy on AfT) have been and still are taken jointly.

3. How does this strategy address regional aid-for-trade challenges?

Regional AfT challenges are also addressed in accordance with the demand-driven approach. This means that in the first instance national capacities are addressed, considering notwithstanding both internal and external trade, as well as the linkages between both.

Regional AfT challenges should be addressed always bearing in mind that the ultimate goal is poverty reduction, which is to be achieved by building the supply-side capacity and trade-related infrastructure needed by developing countries in order to benefit from multilateral liberalization processes, always taking into account the needs of national populations.

In this context, Spain's approach will also actively seek to foster interregional trade, given its proved benefits.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

AfT is defined according to the definition provided by the DAC and its correspondence with that provided by the WTO Task Force (CRS).

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Rather than AfT being allocated to individual projects and programmes, an individual project or programme is considered to be AfT or otherwise depending upon its codification. If its codification corresponds to what the DAC database (and its correspondence with that of the CRS) has classified as an AfT code, then it will be AfT; otherwise, it will not. In this doing, the joint WTO/OECD document containing guidelines to allocate the share of AfT is always taken as a reference.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

Based on the joint WTO/OECD Trade Capacity Building Database, data for 2005 are the following: USD 1,527 million for the first category Trade Policy and Regulations and USD 7,4 million for the second category Trade Development.

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

Since the December 2005 WTO Ministerial Conference, the AfT pledges made by Spain are subsumed in those made by the EU on the occasion of that Conference and are also made through our increasing contributions to trade related technical assistance funds managed by the WTO (Doha Development Agenda Global Trust Fund or Trade Facilitation Needs Assessment Trust Fund) or UNCTAD, among others.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Spain does not currently have a medium-term (beyond 3 years) financial plan specifically for AfT, as it does not have detailed breakdowns in other ODA areas. However, it does have a global ODA plan, according to which ODA will account for 0.5% GDP by 2008 (c. 5.4 billion €) and 0.7% by 2012 (c. 10.0 billion €). Hence, Spain will already be increasing its basic AfT commitment and will continue doing so, depending also upon the demands expressed by the partner countries, as well as the absorption capacity and results-based-evaluations.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

The way to ensure that AfT is effectively integrated in the overall development strategy and programming both at headquarters and in-country is to attract its attention at an early stage of the planning process. Initially, thorough debates on Trade and Development in general and on AfT in particular must be conducted, with the participation of all stakeholders involved (civil society, different administrative departments, headquarters and in-country managers). With their input, and at the appropriate time, high-level meetings between Secretaries of State and Director Generals both in Trade and in Development should take place in order to make specific strategic decisions on the topic. There are also institutional Interministerial WTO and UNCTAD Committees to channel the decision making process.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

In-house AfT expertise has recently been strengthened in various ways. On the one hand, meetings between a broad base of relevant experts within both the Ministry of Trade and that of Foreign Affairs

and Cooperation have taken place in order to gain comprehensive insight of AfT. For instance, within the Ministry of Foreign Affairs and Cooperation experts on planning, programming, statistics, international finance and evaluation have met and shared views, concerns, proposals and actions to be taken. Also, the number of meetings between the AfT experts within the Ministry of Trade and that of Foreign Affairs and Cooperation has increased and given way to solid and fruitful work in team. In parallel, external expertise has been sought and conveniently integrated into the AfT strategy. Larger meetings on the topic both with civil society and the private sector are envisaged. AfT will further be a matter of dialogue at the headquarters through institutionalised encounters with all cooperation stakeholders (for instance, via the “Consejo de Cooperación” or Development Council).

Expertise is of course also gained in meetings held at a regional and international level (for instance, within the EU, the DAC POVNET group or within the WTO).

In order to link policies with operations, this expertise is deployed top-down and bottom-up. Top-down by providing information from the headquarters into the field; bottom-up by inputs from the field to the headquarters, albeit at this stage not on all AfT issues but rather on limited aspects of it such as general productive capacity. However, at a future stage, information flows better tailored to cover the needs of all aspects of AfT shall be envisaged.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

There is no one-fits-all solution to cases in which national development strategies lack a strong trade-development component. However, and given that, in principle, such a strong component is desirable, the sensibility for its need is nurtured via donor working tables, dialogue in the field and general capacity-building (for instance, to local governments).

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

Policy dialogues among key stakeholders are considered absolutely essential in the planning process and, therefore, are indeed encouraged and supported. In pursuit of the principle of ownership, sound and widely appropriated programming documents elaborated by partner countries are taken as the basis for development planning. Once these documents have been identified, wide dialogues with the pertinent authorities are pursued. For instance, in sector working tables which are fostered in the framework of the Poverty Reduction Strategy Papers. In those countries in which a Technical Cooperation Office exists, the Spanish presence in these dialogues is direct; in those countries without such offices, delegation mechanisms will be put in place, in line with the division of labour, which has been endorsed by Spain.

ALIGNMENT

Refers to donors basing their overall support on partner countries’ national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

The partner countries' policy planning and budgeting framework is not still used as the basis for the provision of our AfT programmes. However, and as hinted in Question 1, this is foreseen in the future, given Spain's commitment with the principles of the Paris Declaration, in which it firmly believes.

HARMONISATION

Refers to donors, actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Similarly to the answer to Question 13, AfT analyses and programming is not yet coordinated with other donors at the country level, but Spain foresees to proceed that way. Precisely the approval of the EU Strategy on AfT will help us to work in this direction.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

The amount of AfT for both regional and multilateral programmes is being increased. At a bilateral level Spain is managing trade related regional programs and we also participate with our increasing contributions to multilateral technical assistance trust funds.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

The timeframes set for our AfT strategy and programmes will follow, in principle, the general planning cycle: 4 year Master Plans (the next one for 2009-2012 should explicitly include AfT, as mentioned in Question 1) and 1 year Annual Plans in terms of strategy; and shorter frames for programmes. Specific AfT indicators to meet intermediate objectives concerning AfT design, management and results must still be developed and incorporated into the future planning and evaluation cycle in order to measure success.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

A mix of quantitative and qualitative evaluation methodologies is foreseen to be applied to AfT projects and programmes.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Similarly to the answers given to Questions 13 and 14, Spain does not still cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation for AfT projects and programmes, but is conscious of the need to do so. In this sense, the adoption of the EU Strategy on

AfT and, in more general terms, progress in the principles of the Paris Declaration and the European Consensus on Development will help to achieve this goal.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Currently, activities such as the completion of this questionnaire help establish a basic engagement with regional organisations and other donors to review progress towards the fulfilment of our AfT policy and programme commitments. Other such activities are the Monterrey questionnaire or the foreseen WTO Global Review on AfT in November 2007.

SWEDEN

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

During 2007 the Swedish International Development Cooperation Agency (Sida) described their strategy on how to work with Aid-for-Trade, in a plan for trade-related development cooperation. Sida's trade-related development cooperation will be designed so that it contributes to the implementation of the Aid-for-Trade recommendations. The *Plan for Sida's Trade-Related Development Cooperation* is a contribution to comply with those recommendations, which urge donors to improve their trade-related development cooperation in various ways, one of which is by better integrating trade into their activities. The *Plan for Sida's Trade-Related Development Cooperation* is based on the demands and needs of partner countries and Sweden's comparative advantages and outlines that following the recommendations Sida should (i) help increase partner countries' ability to identify their needs and integrate trade into their national development plans; (ii) contribute to needs identification at regional level and cooperate with regional actors to meet these needs; (iii) work actively with industry in partner countries and (iv) actively contribute to donor harmonization at bilateral, regional and global level.

In addition to Sida's plan, the Swedish Ministry for Foreign Affairs is developing a strategy on how to support the implementation of the Aid-for-Trade recommendations. One key element will be participation in international processes concerning trade related aid, such as the shaping of a joint EU Aid-for-Trade strategy, but also in processes like the Integrated Framework. Another important element will be enhanced dialogue with other donors and Swedish agencies, such as the National Board of Trade.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Since the Hong Kong Ministerial Conference of 2005 the Swedish strategy for Aid-for-Trade has, alongside national policy guidelines, been directed mainly by the Aid-for-Trade recommendations, but also the EU Council conclusions on Aid-for-Trade from 2006.

3. How does this strategy address regional aid-for-trade challenges?

Due to the nature of international trade, many solutions are best approached at the regional level. Sida will work actively to respond to needs and demands for trade-related support at regional level. Sida's trade-support activities at the regional level aim at supporting regional integration and promote regional cooperation and capacity building in trade-related matters of regional interest, for example, training officials on how to meet the standards in common export markets. The existence of several regional trade agreements with overlapping membership constitutes a challenge and Sida must ensure its efforts are not duplicated when allocated to regional agreements.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. *How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?*

In line with the recommendations outlined by the Aid-for-Trade Task Force in 2006, Sweden believes that programmes and projects should be considered Aid-for-Trade if these activities have been identified as trade-related development priorities in the recipient country's national development strategies. Sweden also recognizes the importance of clear benchmarks and cursors, and until there is an international consensus on how to report on Aid-for-Trade, the Swedish approach to defining and reporting on Aid-for-Trade is limited to the definition of Sida's trade support, see below.

The definition of Sida's trade support, as outlined in Sida's Policy for Trade-Related Development Cooperation falls into two basic categories: trade policy and regulations and trade development. Both categories as defined by OECD. Put simply, trade-related development cooperation is contributions designed to solve the problems and harvest the potential generated when goods and services across national borders (although the relevance of the contribution on domestic and international trade respectively is hard to differentiate). This does not, however, mean that Sida should work on these contributions in isolation. If international trade is to result in economic growth and poverty reduction, contributions are needed in a number of different areas in which Sida works, and which are not usually called trade-related. It is not always the case that contributions that are defined as trade-related are those that best contribute to poverty-reducing international trade. This broad view is a precondition of effective trade-related development cooperation and will form the point of departure of Sida's work with international trade, as has been done in the areas of energy and transport, for example. See also answer on question 6.

METHODOLOGY

5. *How do you allocate the aid-for-trade share in individual projects and programmes?*

The *Cooperation strategies* form the basis for the bilateral and regional development cooperation. It is of central concern for the work with trade-related assistance that all trade-related areas are considered in the analysis conducted when Sweden outlines the cooperation strategies. However, Sweden has not earmarked contributions as specifically "Aid-for-Trade". The Swedish trade-support allocations are financed via the development cooperation grant.

COMMITMENTS

6. *According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?*

Below is a table of Sweden's commitments for the period 2002-2005. The first two rows include commitments in the categories of in the Sida definition of trade-support, while the last three rows include additional aid-for-trade categories as defined by the WTO Task Force.

Moreover, the Swedish Ministry for Foreign Affairs yearly contributes to the WTO fund for technical assistance (WTO DDA GTF). In 2007 the contribution amounted to € 1 600 000 making Sweden the largest single donor to this fund.

Commitments in US\$ thousands, 2004 constant prices

	2002	2003	2004	2005
Trade Policy and Regulations	3 669	11 339	4 255	19 588
Trade Development	2 235	10 319	6 424	18 746
Economic Infrastructure	65 917	141 990	56 884	116 262
Building Productive Capacity (incl. Trade Development)	105 534	64 141	126 791	99 974
Trade-Related Adjustment	48 106	151 292	68 488	144 505

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

Being part of the EU, Sweden will contribute to the joint EU commitment to increase EU's trade related assistance to € 2 billion/year by 2010.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Before the concept of Aid-for-Trade is clearly defined, Sweden cannot give any specific numbers concerning our medium term financial plan. However, The Swedish Government has made trade-related development cooperation a priority and the budget has been doubled since last year (2006) from SEK 135 million to at least SEK 270 million (2007) and Sweden will continue to attach importance to Aid-for-Trade issues.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

The Swedish Government has made trade-related development cooperation a priority. On May 31, 2007, Sida submitted the *Plan for Sida's Trade-Related Development Cooperation* to the Government, setting out how Sida's work will help ensure that international trade benefits the poor. This plan is not a new guiding document: it is a description of how Sida will implement already existing international agreements, guiding documents and guidelines for trade-related development cooperation, of which the following are particularly notable:

- *Sweden's Policy for Global Development* (PGD), which establishes the overall objective of Swedish development cooperation.
- *Sida's letter of appropriations*, in which the Government sets out Sida's annual assignment in trade-related development cooperation.
- *Cooperation strategies*, in which the Government sets out the orientation of development cooperation with a country or region.

- *Sida's Policy for Trade-related Development Cooperation*, which sets out the basic goals and principles for Sida's work on trade-related development cooperation, with the overall Swedish objective for development cooperation as point of departure.
- *The Paris Declaration*, in which the donor community and the partner countries make concrete undertakings to achieve greater effectiveness in development cooperation.

Turning to the in-country. Since the plan means that Sida will integrate trade issues into regional and bilateral development cooperation to a greater extent than today, allocation of administrative resources for trade-related development cooperation involves also the field (in-country representation).

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

For 2007, Sida has already undertaken a number of measures to build capacity in trade-related issues:

- The trade group at Sida's Department for Infrastructure and Economic Cooperation has been strengthened.
- Sida has entered into framework contracts with a number of consultants with expertise in trade and development.
- Sida has entered into inter-agency agreements with the National Board of Trade and the Swedish Energy Agency, and has initiated discussions with Swedish Customs and the Board of Agriculture on similar agreements.
- Sida's Resource Centre for Rural Development in Sub-Saharan Africa (RRD) has recruited a local officer with trade expertise.
- A review of regional field representation in Africa has been initiated.

Additionally the Swedish National Board of Trade has strengthened their in-house expertise on trade and development. A few years ago a new position, with focus on trade and development, was established at the Swedish Ministry for Foreign Affairs.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

Sida's trade-related development cooperation will be based on the demands and needs of the developing countries. *Demands* can be expressed by public institutions as well as industry and civil society. *Needs* refer to contributions required to create the conditions that will enable poor people to improve their lives. It is not uncommon that demands and needs differ, particularly because poor people often lack a voice. This requires that Sida makes an overall appraisal of demands and needs in our analysis. Official documents and processes, such as Poverty Reduction Strategies (PRS), the Integrated Framework for Trade-Related Technical Assistance to the Least-Developed Countries (IF), formal donor meetings and trade negotiation rounds must all be used to identify demands, which are then to be supplemented with an assessment of the needs of the poor.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

The ability to formulate, negotiate and implement a trade policy that contributes to economic growth and poverty reduction requires analytical capacity and functioning democratic processes which balance various interests in society. It is particularly important that international trade and its links to economic growth and poverty reduction are seen in a broader perspective and that trade policy is implemented as part of a country's broader agenda to reduce poverty.

Sida will therefore support contributions that aim to:

- contribute to the long-term development of local capacity to analyze, formulate, negotiate and implement trade policy that contributes to economic growth and poverty reduction;
- contribute to making international trade part of the broader development agenda in Sweden's partner countries, integrated into the countries' own poverty reduction strategies;
- contribute to allowing various social stakeholders – not least the private sector and actors in civil society – to have a voice when trade policy is being formulated;
- contribute to the production, dissemination and application of new, forward-looking research findings on international trade and development.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Since Swedish development cooperation departs from the partner country's priorities as identified in the PRS, the partner countries' policy planning and budgeting framework is taken into consideration. This applies to Swedish trade support as well. Some trade-related activities, mostly in the area of trade development, are directly linked to the private sector and are therefore not based on the state's policies in the same degree.

HARMONISATION

Refers to donors, actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

In accordance with the *Paris Declaration* and the *Aid-for-Trade* recommendations, Sida will actively contribute to strengthening partner countries' capacity to coordinate trade-related contributions. Sida will also work with other donors to achieve an effective division of labor in which the donors complement each other. Experience shows that Sida can improve in this respect.

At country level, there are often existing structures for donor coordination. Sida will work to ensure that these structures are used effectively also for trade-related development cooperation, and to ensure that ownership of coordination lies with the partner countries. Where Sida has sufficient

capacity and trade-related development cooperation is a clear Swedish priority, Sida will consider the possibility of assuming a leading role among donors, for example within the framework of the IF process.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Sida will increase the target for regional programmes for trade-support. In the event of a successful enhancement of the IF, Sida's amount of aid-for-trade for multilateral programmes is likely to increase.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

As for development cooperation as a whole, Sida will be aiming for bigger trade-related contributions with longer contract periods. Smaller contributions with short contract periods are to be avoided where possible. The guideline for the size of contributions and contract periods should be a contract period of at least 3 years, and a total agreed sum of at least SEK 5 million. Smaller and shorter contributions than this are primarily to be limited to project and programme developing activities, such as preliminary studies or pilot support to organizations/initiatives to test their capacity.

Success is measured through result-oriented outcome and long-term impact, but also on the implementation process itself.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Sida encourages the use of the *Logical Framework Approach (LFA)* or similar approaches as tools for designing change processes, monitoring progress and evaluating impact. LFA has been used and tested for a long period and has proved valuable in promoting a common approach among stakeholders. It also contributes to creating clarity in development efforts by arranging change processes in a logical structure that facilitates assessments of the relationship between inputs, outputs, outcome/impact and objectives. It provides a structure to ensure that stakeholders are consulted and relevant information made available so that stakeholders and other decision-makers can take informed decisions. Basic assumptions are regularly reviewed which frequently reveals weaknesses in the original analysis or underlines changing circumstances that should be used for adaptation and updating of the programme/project.

The Swedish Ministry for Foreign Affairs will have their trade-related assistance reviewed during the second half of 2007.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Together with other IF-stakeholders, Sweden is actively participating in developing a rigid framework for monitoring and evaluation in the Enhanced Integrated Framework.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Sweden actively participates in various forums in reviewing progress towards the fulfillment of the Aid-for-Trade initiative. In the donor constituency, the OECD/DAC CRS-database and the common EU Aid-for-Trade Strategy are two strands of engagements. Furthermore, Sweden is continuously having a dialogue on Aid-for-Trade policy with partner countries, through our embassies and Sida personnel located in the field.

SWITZERLAND

WHAT IS YOUR AID-FOR-TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

The Swiss AfT-Strategy is an integral part of the Economic Development Strategy which seeks to promote the integration of partner countries in the world economy by supporting stable macroeconomic conditions, encouraging foreign investment, strengthening trade capacities and by building basic urban infrastructure, with the overall goal of sustainable economic growth and reducing poverty.

The division for Economic Development Co-operation is hosted within the State Secretariat for Economic Affairs (SECO) as the federal government's Centre of expertise for all core issues relating to economic policy such as trade and labour issues. Therefore, the work of the division for Economic Development Co-operation aims at an optimal coherence between the objectives of development co-operation and those of foreign economic and trade policy, and has therefore established a WTO Task Force for Trade and Development (see under C for further information).

Within this framework, Switzerland's trade-related co-operation (or trade-related technical assistance-TRTA) is seen as a core element and is considered as crucial complement to the current WTO Doha negotiations. The Swiss TRTA is structured around the following five main areas:

- Support trade policy: Strengthen trade policy formulation and implementation capacities in partner countries and in Geneva (including WTO accession, intellectual property, competition, government procurement, trade reforms, etc.).
- Facilitate access to the Swiss and European market: Support the import to Switzerland and neighbouring countries of goods produced by SMEs in partner countries through the Swiss Import Promotion Programme (SIPPO). Promote tariff reduction and preferential access to the Swiss market (through the General System of Preferences) and support labels such as fair trade and organic production.
- Increase supply side capacities: Help SMEs to build up their ability to meet international norms and standards (SPS/TBT); enhance their export capacities and their competitiveness (marketing, market research, quality management, procurement, access to trade finance); increase their access to finance, and support the development of the relevant institutional structures, as well as measures to ease trade (e.g. customs modernisation).
- Implement environment and social criteria within trade: Support efforts of partner countries and their industry sectors to comply with international environment and social conventions related to trade. Promote coherence between trade, biodiversity, climate change and social considerations.

- **Commodities:** Switzerland is actively involved in the main international organizations dealing with soft commodities, promotes sustainable production (multi-stakeholders approaches), and supports partner countries' efforts to diversify their economic structure basis in order to reduce their dependency on raw materials and introduce price risk management.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Aid for Trade is not new. As mentioned previously, in the case of Switzerland, TRTA has constantly been a core element of the economic co-operation strategy. Particularly since Doha in November 2001, there is a strong international regain of interest for trade cooperation. In full agreement with the views of Switzerland, this consideration has been further strengthened by the debate on Aid for Trade highlighted at the last ministerial conference in Hong Kong.

In order to increase the effectiveness of TRTA, Switzerland has adopted an Implementation Plan to respond to the commitments of the 2005 Paris Declaration on Aid Effectiveness, recognizing that these commitments need to be implemented in the specific context of each partner country. In addition to ongoing efforts towards increased ownership and enhanced focus on partner's national development strategies, TRTA programming will devote special attention to program-based aid modalities and common arrangements at country level.

3. How does this strategy address regional aid-for-trade challenges?

Switzerland recognizes that many countries face cross-border constraints (e.g. trade-related infrastructure, customs, heterogeneous regional trade policies, etc.) to trade more effectively. The ability to identify cross-country and regional needs should be strengthened, at both country, regional and multilateral level. In particular, regional integration efforts should be encouraged with a view to making regional integration a building block for the multilateral trade system. Therefore, Switzerland has been an active promoter of regional integration efforts and exchange of experience. This implies, for instance, strengthening relevant regional institutions and enhancing their skills to deliver capacity-building to neighbouring countries (e.g. TRALAC, the Trade Law Centre for Southern Africa).

HOW MUCH AID FOR TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

In line with the report of the AfT Task Force, Switzerland agrees that there is a need to define the scope of AfT in a way that is broad enough to reflect the diverse trade capacity building needs identified by individual countries, while at the same time establishing a border between AfT and economic development assistance in general. Such clarity is a necessity to ensure a reliable monitoring of this initiative. Accordingly, Switzerland considers that Aid for Trade covers four main pillars:

- a) Trade policy and regulations
- b) Development of export capacities or "trade development" (working with SMEs)
- c) Trade-related infrastructure
- d) Trade-related adjustment

Referred to this definition of AfT, the trade-related co-operation provided by Switzerland places its main emphasis on the pillars a) "trade policy and regulations" and b) "development of export

capacities”, thereby covering the areas mentioned under question A1), i.e. *Support trade policy (a), Facilitate access to the Swiss market and Increase supply side capacities (b), Trade, Environment and Social* (either a or b), *Commodities* (either a or b):

METHODOLOGY

5. *How do you allocate the aid-for-trade share in individual projects and programmes?*

The Division for Economic Development Co-operation within the State Secretariat for Economic Affairs (SECO) is the responsible agency for trade-related technical co-operation, as well as for macro-economic assistance, investment promotion, infrastructure financing and relations with international financial institutions. Within that division, it is the *Trade and Clean Technology Co-operation* sector (WEHU) that is exclusively responsible for the strategy and management of the trade-related technical co-operation, leaving implementation to strategic partners (specialised multilateral institutions, NGOs, etc.). Given this institutional setting, all projects and programmes (co-) financed by SECO through WEHU can be considered as 100% AfT-relevant.

COMMITMENTS

6. *According to your aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference?*

We are currently working on the 2006 Report of the Joint WTO/OECD-DAC Doha Database for TRTA/CB, shedding further light on the pledges made since 2006. At the present, Switzerland is moreover considering its contribution in the scope of Enhanced IF. An official Donor-Meeting including pledging session is foreseen for the 25th of September.

PLEDGES

7. *Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference?*

In general, all our commitments are part of AfT. This year, Switzerland engages itself for example in Nicaragua with the Programme “Strengthening Export Capacities of SMEs and the National Quality System” which aims at strengthening export capacities of SMEs. The recent signature of a free trade agreement with the US (CAFTA), as well as the preparation of a coming free trade agreement with the EU, has opened new opportunities for Nicaraguan companies as well as challenges. However, SMEs will not be able to seize these opportunities unless they strengthen their competitiveness and export capacities, and comply with international standards.

The Project is part of a national sector plan (PROMIPYME) elaborated on the basis of the principles of harmonization, alignment and ownership from the Paris Declaration. SECO has identified two components of PROMIPYME, where it has experience and where it can make a contribution in the sector policy dialogue: i) strengthening export capacities of SMEs; ii) enhancing the National Quality System. The Swiss contribution is amounted at USD 1,95 million.

A contribution from SECO to this Project represents an opportunity to progressively integrate the principles of the Paris Declaration in the trade-related cooperation. SECO is currently exploring similar participations in sector programmes in countries like Tanzania and Ghana. Nicaragua is currently one of the most advanced partner country in trade-related sector programmes. This Project will build on the strong involvement in the past of Switzerland in the national policy dialogue through the budget support donor group and the private sector development round-tables. Finally, the Project

is also an important element of the new Swiss Cooperation Strategy 2007-2012, which emphasises the importance of strengthening the involvement of the Swiss cooperation in sector programmes.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Since Doha in 2001, Switzerland has increased its trade-related cooperation as mentioned in the 2006 Report of the Joint WTO/OECD-DAC Doha Database for TRTA/CB. Moreover, it is foreseen to increase the share of trade-related cooperation – pillars a) and b) without investment promotion – by 50% from 2007 to 2010 (representing the yearly budget of SECOWEHU). Therefore, the budget for trade-related cooperation (category a: trade policy and category b: export capacities) is expected to progress from CHF 50 million (2006) to more than CHF 75 million (2010).

HOW DO YOU IMPLEMENT YOUR AID-FOR-STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at headquarters and in-country?

As mentioned in the first part of the questionnaire, AfT is integral part of the our Economic Development Co-operation Strategy within the State Secretariat for Economic Affairs (SECO) as the federal government's Centre of expertise for all core issues relating to economic policy such as trade and labour issues. SECO Headquarter and Swiss Cooperation Offices in the field have different tasks in the implementation of the Paris Declaration. Cooperation Offices are given the mandate to ensure implementation at country level. By assessing opportunities and risks, they define the concrete action lines deriving from the partnership commitments together with the partner countries' authorities and the development community in the given country. More precisely their mandate is to:

- Identify priorities and possibilities for action regarding the five key principles (ownership, alignment, harmonisation, management of results);
- Translate identified priorities for action in concrete measures;
- Decide with national authorities, national partners and the donor community on measures to strengthen coordination mechanisms, taking into account existing platforms;
- Include harmonisation in regular reporting and monitoring flows on annual and periodic basis;
- Inform and consult national authorities and partners about on-going and planned operations, the annual programme and aid flows (commitments and disbursements).

SECO Headquarter has the responsibility to:

- Provide policy and strategic guidance on aid effectiveness, ensuring institutional coherence;
- Take the necessary measures on the institutional level, in particular adjust internal procedures where appropriate;
- Ensure a close link between international discussions on harmonization and operational work at country level and foster knowledge sharing about good and bad practice;

- Involve domestic stakeholders in the debate and coordinate communication;
- Monitor overall implementation.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Within SECO's *Division for Economic Development Co-operation*, it is the *Trade and Clean Technology Co-operation* sector (WEHU) that is responsible for the strategy and management of the trade-related technical co-operation, leaving implementation to strategic partners. Particularly since the beginning of the Doha Development Round, the TRTA-branch inside SECO (WEHU) has been gradually strengthened. Currently, WEHU staff is composed of 10 Programme Managers that work strongly interlinked with other trade-related divisions inside the public administration of Switzerland and with a broad array of strategic partners such as specialised multilateral institutions, consulting firms or NGOs.

In order to better take into account the interests of developing countries in the ongoing Doha Round of multilateral trade negotiations, and to improve policy coherence, Switzerland has created a high-level task force bringing together the different governmental entities responsible for development issues moreover, i.e. the *WTO Task Force on Trade and Development*. The Task Force is responsible for the Swiss participation in the WTO negotiations when development issues are discussed, e.g. "special and differential treatment" of developing countries. It prepares positions among others on food aid, tariff escalation, agricultural quota management, and tariff reduction formulas.

OWNERSHIP

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

Along the lines of the Paris Declaration on Aid Effectiveness, Switzerland promotes the integration of trade in the national development strategies, and increases both the resources devoted to trade-related cooperation and its impact in terms of development and poverty reduction. To attain this goal, Switzerland has been an active promoter of donor-coordination in the provision of trade related technical assistance and of mainstreaming trade into national development plans in the scope of the Integrated Framework. Since 2001, several Diagnostic Trade Integration Studies (DTIS) have been supported, therefore. Nonetheless, in the end it is the beneficiary country that needs to respond to the support provided by donors, otherwise one of the basic principle of IF, "LDC-Ownership", is seriously undermined.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

All SECO-supported projects and programmes contain a module of promoting multi-stakeholder dialogue. In addition, Switzerland in its partner countries seeks to make optimal use of local coordination structures such as IF Steering Committees, Private Sector Development Groups, CG Meetings and PRSP Reviews. In our view, we should strengthen those existing structures and avoid creating new institutional arrangements.

ALIGNMENT**13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programme?**

As mentioned, Switzerland promotes the integration of trade in the national development strategies, and increases both the resources devoted to trade-related cooperation and its impact in terms of development and poverty reduction. Considering however the limited effectiveness of the IF process to mainstream trade into national development strategies thus far - this happened only in 7 out of 31 countries where DTIS have already been validated - using the partner countries' policy planning and budgeting framework as the basis for the provision of AfT-activities is often a very challenging endeavour. Most notably, Switzerland was able to align its AfT-programme to the policy planning of the Governments of Ghana and Nicaragua.

HARMONIZATION**14. Do you coordinate aid-for-trade analysis and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?**

Given the fact that Switzerland as small country is a donor with limited funds, strong donor coordination has been a key for the Swiss development cooperation since its beginning. As well as a broad array of regional and multilateral programmes supported by Switzerland, the Swiss bilateral engagements always seek to be soundly embedded within the national context, considering public policies and other donor initiatives. However, to make harmonization effective, it is crucial to count on the policy coherence of the recipient country.

15. Are you increasing the amount of aid-for-trade for regional and multilateral programmes?

There is a clear tendency towards regional and multilateral programmes, in parts due to the increased delivery of development aid by regional and multilateral institutions. On the *regional level*, Switzerland promotes south-south trade as well as regional integration and exchange of experience. This implies, for instance, strengthening relevant regional institutions and enhancing their skills to deliver capacity-building to neighbouring countries (e.g. TRALAC, the Trade Law Centre for Southern Africa). On the *multilateral level*, Switzerland collaborates for instance with multilateral organisations and programmes, such as the ITC, WTO DDA Trust Fund, Integrated Framework (IF), Advisory Centre on WTO Law (ACWL), Agency for International Trade Information and Co-operation (AITIC), World Bank, UNIDO, UNCTAD, International Commodity Organisations, etc.

MANAGEMENT FOR RESULTS**16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?**

The main reference scheme for our aid-for-trade strategy is the annual work programme of SECO-WEHU. It contains an overall assessment of the previous year, the definition of yearly goals, measures and indicators, management modalities, evaluation mechanisms, and the strategic outline for the coming three years. This work programmes provides a sound tool to assess the results obtained in the principal areas of interventions, which are mostly found in the pillars "trade policy and regulations" and "development of export capacities" (for main areas of the strategy, see part A of the questionnaire). Additional efforts to assess the success of our AfT-work in the field are done by project- and programme-specific evaluations.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

The type of evaluation methodologies applied varies according to the kind of project and programmes. For example, evaluations of regional and multilateral projects are often carried out by other organisations, such as by UNIDO in the SECO-funded activities in the area of standards and clean production or by the World Bank in the area of commodity risk management. Moreover, the size of the projects and programmes influences on the methodology applied. Large scale projects that exceed the amount of US\$ 1 million require a Logical Framework with other structure of indicators than small scale projects. Finally, there are cases where joint monitoring and evaluation exercise is done (see example below).

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Switzerland usually cooperates with partner countries, other donors and stakeholders when the delivery of aid is based on explicit efforts of alignment and harmonizations. For example, Switzerland is currently contributing to a joint-evaluation of the functioning of AITIC (Agency for International Trade Information and Co-operation). AITIC is an intergovernmental organisation, based in Geneva, aimed at helping LDCs to benefit from the multilateral trading system by assisting them in the active participation in the work of the WTO and other trade-related organisations in Geneva, as well as in the WTO negotiations.

The evaluation that is coordinated among five donors (U.K, Sweden, Finland, Switzerland and The Netherlands) aims at enabling the donor countries of AITIC to make a decision on whether or not to prolong the donations for another (five year) period. The main things to be looked at are comparative advantage, impact assessment and internal organisation of AITIC.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfillment of your aid-for-trade policy and programme commitments?

Yes.

Annex: Success factors for TRTA-projects according to SECO experience

Success factors for trade policy projects according to SECO experience:

- A trade diagnostic linked with PRSP is the basis.
- Strong commitment from the partner.
- Project should be targeted and a national priority.
- Medium to long term approach (short-term seminars/workshops are not enough).
- Sustainability: Importance to strengthen existing local partners/institutions.
- Financial sustainability: Cost-sharing with local partners/institutions.

- Ensuring participation of the private sector.
- Link trade policy support with concrete export development programmes (ex. Agroindustry cashew, cotton, etc.).
- Operate in target areas where Switzerland has specific know-how (ex. trade and environment, standards, services, IPR, etc.).
- Supporting multi-stakeholder dialogue.

Success factors for trade development projects according to SECO experience:

- A trade diagnostic linked with PRSP is the basis.
- Three level approach (exporters-national trade institutions-trade policies).
- Close collaboration with Swiss Import Promotion Programme (SIPPO).
- Special trade preferences for low-income developing countries (Swiss GSP).
- Sustainable approach to trade (environment + social).
- Use of market-based instrument.
- Close collaboration with the private sector in Switzerland and in partner countries.
- Standards, quality and competitiveness are the main focus of SECO's cooperation.
- Commodities is a main field of activity.
- Presence of local offices facilitate monitoring of projects.
- Results-based management.

THAILAND

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Thailand's Strategy on International Development Cooperation for the years 2007-2011 has been developed by Thailand International Development Cooperation Agency (TICA). It serves as medium-term guidelines for cooperation with targeted countries and sets trade-related assistance as a key component. Thailand places high priorities on capacity-building in recipient countries through institutional and human resource development in sectors related to trade and investment, technical cooperation, private sector development, and network building.

Some Thai agencies, including the Office of the National Economic and Social Development Board (NESDB), the Ministry of Agriculture and Cooperatives and the International Institute for Trade and Development (ITD), have their own strategies on development assistance which are also trade-related and complement AfT. Their strategies focus on sub-regional cooperation frameworks, particularly Ayeyawady – Chao Phraya – Mekong Economic Cooperation Strategy (ACMECS) and Greater Mekong Subregion (GMS). Priority areas of cooperation of these agencies are similar to those of TICA. For example, NESDB emphasises multi-sectoral development assistance in 5 areas, namely; (1) agriculture, energy, industry and transportation, (2) human resource development, (3) logistics, (4) improvement of market mechanism, and (5) rules and regulations on taxation and payment. The Ministry of Agriculture and Cooperatives focuses its development assistance strategy on agricultural goods and HRD, while ITD stresses capacity building in the areas of trade, monetarism, finance and development.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Thailand did not pledge AfT at the December 2005 WTO Ministerial Conference. The above-mentioned strategies have been formulated at national level in accordance with Thailand's policy on international development cooperation, while taking into account the AfT concept.

3. How does this strategy address regional aid-for-trade challenges?

Thailand's Strategy for International Development Cooperation (2007-2011) reinforces regional cooperation, especially within the frameworks of ACMECS, GMS, Association of Southeast Asian Nations (ASEAN), Indonesia – Malaysia – Thailand Growth Triangle (IMT-GT), and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). All of these regional groupings have given priorities to HRD programmes, which could have multiplying effects to other sectors, especially trade and investment. A main objective of these cooperation frameworks is to bridge the development gaps existing between Thailand and its neighboring countries.

Besides, Thailand sees the need to improve its strategies in order to effectively respond to challenges in 3 areas, namely; (1) transparency in budget spending, (2) demand-driven approaches for

development assistance, and (3) monitoring and evaluation system of the development assistance programmes/projects. Moreover, there are some other challenges that require close collaboration among all stakeholders, such as concerns on cultural domination.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

Thailand defines Aid-for-Trade as multi-sectoral assistance, covering activities directly or indirectly linked with trade and investment, such as assistance on transportation infrastructure and energy. Besides, Thailand seeks to build up and strengthen both institutional and human resource capacities in recipient countries through technical cooperation and training.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Thailand does not designate specific AfT share in individual projects and programmes, nor does it develop special AfT projects and programmes. Rather, the Thai agencies have applied demand-driven approach in designing their international assistance projects and programmes.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

During 2002-2005 Thailand's overall ODA was approximately US\$ 18-24 million per year, with no specific allocation for AfT. The ODA projects and programmes were developed mainly from recipient countries' requests and annual allocated budget, with no string attached.

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

In most cases, Thailand has pledged our trade-related development assistance outside WTO fora. Our assistance to the neighboring countries will be planned on a yearly basis, depending on development programmes and projects approved and the commitments made. For example, during the ACMECS Summit in 2006, Thailand pledged US\$ 3 million to help fight avian influenza outbreak in the region.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

The Thai development agencies have developed their own action plans and corresponding budgets. While no fixed amount of assistance is set on multi-year basis, Thailand's budget for international assistance has increased every year. For instance, TICA provided US\$ 3 million worth of technical assistance to the neighbouring countries. Another important actor is the Neighbouring Countries Economic Development Cooperation Agency (NEDA), which spent almost US\$ 220 million for the construction of infrastructure in neighbouring countries.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

NESDB, which is the national focal point on Thailand's economic and social development plans, is also responsible for strategy on economic partnership with neighbouring countries such as ACMECS framework. As such, the integration of AfT concept in the overall national development strategy, as well as the consistency between aid policies and the overall development strategy, is ensured.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Every agency has strengthened its in-house expertise through activities such as 'Training of the Trainers' programmes, and capacity building in technical and research fields. The participation of the business sector and civil society in the government's policy making process is also encouraged.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

A high-level committee, comprised of Permanent Secretaries of Ministries concerned and chaired by a Deputy Prime-Minister for economic affairs, served to supervise development assistance projects and programmes with neighbouring countries under 5 regional groupings including ACMECS and GMS, to ensure holistic approach on developing development assistance. During this political transition period, this committee is dissolved, but it is expected that a committee of similar purpose will be revived soon.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

The projects and programmes especially in regional groupings are developed jointly by all member countries.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Yes, but not to a large extent.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Thailand coordinates with other donors on development assistance and AFT, a notable example of which is its trilateral cooperation programmes within existing frameworks such as ACMECS. In such programmes, Thailand coordinates closely with other donors in terms of burden and budget sharing, expertise and logistics. TICA is the main authority that looks after trilateral cooperation.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

The amount of Thailand's aid tends to increase every year.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

Thailand's Strategy for International Development Cooperation covers the period of 2007-2011. It will evaluate the overall progress and effectiveness of this strategy on the basis of trade and investment growth in targeted sectors. However, the Thai agencies still need to further develop an effective monitoring and evaluation system of its aid programmes and projects.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Evaluation methodologies for Thailand's aid programmes are still at early stage. Normally, its aid projects and programmes are evaluated within the economic partnership frameworks, if any, such as with Cambodia, Vietnam and Lao PDR. At present, the evaluation methodologies are based on the changes in relevant factors, such as progress of the projects, and increase in the value of border trade.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

No.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

The evaluation process on AfT policy and programme commitments has not yet been fully developed. However, we are engaging more with other parties/regional organizations on partnership cooperation with other donors and stakeholders.

UNITED KINGDOM

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Our current aid for trade strategy is being updated. It will be aligned with the new EU aid for trade strategy. It will set out UK aid for trade as a coherent, strategic framework within which our new policies on growth, infrastructure and private sector development are the main pillars of our support.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Former UK Prime Minister Tony Blair announced our aid for trade expenditure £100m target in November 2005. To enable us to monitor our progress effectively and transparently, we have begun to report disbursements rather than commitments. We have focused on ensuring that quality WTO aid for trade recommendations were produced in 2006 and effectively implemented especially concerning the enhancement of the Integrated Framework, the development of the EU Aid for Trade Strategy and the new OECD/WTO monitoring and review system.

3. How does this strategy address regional aid-for-trade challenges?

The strategy recognises that the regional perspective is critical, especially in sub-Saharan Africa, and that donors and partner countries must adjust the scope of their planning and programming in order to effectively address the challenges, especially those around regional public goods such as infrastructure.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

The definition of aid for trade has developed so that it is now broader than the 2001 definition, which included the WTO categories 'trade policy and regulations' (TPR), 'trade development', 'trade related infrastructure' and 'trust funds'.

We accept the new definition contained in the 2006 WTO recommendations and translated in 2007 into OECD's new monitoring system. This includes : trade policy and regulations, productive capacity (including trade development which OECD can track as a discrete element), trade related infrastructure and trade related adjustment.

For the purpose of accounting for our £100m commitment, we include all bi-lateral expenditure that is focused on trade, investment and private sector development. This is our proxy for the WTO defined categories of 'trade policy and regulations' and 'trade development'. OECD collects data on trust funds directly from the trust fund managers e.g. WTO, UNCTAD.

In September 2006 we announced a forecast of our aid for trade expenditure of \$750m by 2010. This includes the £100m plus trade related infrastructure: transport, communication and energy, and, related contributions to multi-lateral agencies.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

We don't allocate aid for trade shares, however we can measure our aid for trade funding. Our programme activities are coded by input sector code. We have not created a new 'aid for trade' category. We see aid for trade as a framework rather than a new sector or discrete new programme. Our input sector codes are currently being aligned with the OECD's CRS system of coding and we will be able to count aid for trade directly against the OECD aid for trade CRS codes.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

From 2005, we moved from reporting commitments to reporting actual expenditure, because this gives a more representative sense of our actual performance and because we can give a high level of accuracy. Against the 2005 WTO/OECD definition (TPR and Trade Development) our actual expenditure performance was as follows:

GBP millions

2001	36.7
2002	41.6
2003	41.3
2004	49.8
2005	50.9
2006	56.9

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

To increase our bi-lateral trade related assistance to £100m a year by 2010 (see section 4 for scope).

In September 2005, we also announced a forecast of \$750m a year by 2010 against the trade policy/regulations, trade development and trade infrastructure categories. This forecast includes our multi-lateral contributions.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

We do not have targets beyond 2010.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

Guidance for our country assistance planning requires that growth analyses and analyses of the prospects for inclusive sustainable growth are included, together with consideration of regional and global factors such as trade and climate change. Final direction of our plans and ultimately our programming depends on country level dialogue, our comparative advantage and any agreed division of labour.

The new policies we are developing on growth and private sector development are expected to give trade a much higher profile in our efforts to promote development and the sustainable achievement of the MDGs.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

In July 2007, a new Trade Policy Unit was formed in the UK, bringing together the trade teams formerly located in DFID and the Department for Business, Enterprise and Regulatory Reform (ex-DTI). This has brought the UK's work on AfT alongside the UK's work on the DDA, EPAs and RTAs, which we believe will bring benefits. Previously DFID had strengthened its trade team by recruiting staff with social development, private sector development and programme delivery skills and knowledge, and is benefiting from increased support from our statistical and evaluation departments, to better mainstream trade into our growth policies. Since 2005/6 we have 3 regional trade advisers located in Southern Africa, Eastern Africa and Western Africa, and collaborate with other multidisciplinary policy teams in DFID working on growth, private sector development and infrastructure.

- 1 For your information, the WTO Task Force defined aid-for-trade in the following way: "Projects and programmes should be considered as aid-for-trade if these activities have been identified as trade-development priorities in the recipient country's national development strategies". The Task Force underlined that clear and agreed benchmarks are necessary for global monitoring of Aid-for-Trade efforts. To this end, it identified the following categories: [a] trade policy and regulations (incl. trade facilitation); [b] trade development; [c] trade-related infrastructure; [d] building productive capacity; [e] trade-related adjustment; and [f] other trade-related needs.
- 2 In order to facilitate your data reporting, we have attached in the Annex a description of the Creditor Reporting System (CRS) categories, along with a profile of your data for 2002 to 2005, that proxy the WTO Task Force aid-for-trade definition (set out in the preceding footnote). The request for data for 2006 on the same basis was issued in May 2007.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

Our country plans are aligned with country led development plans and priorities which may or may not focus on trade. Evidence shows that trade and growth have been marginalised in national poverty reduction strategies. Our new strategy emphasises the need for donors and partners to pay much more attention to integrating trade and growth into development plans. We also have a number of bi-lateral programmes which support policy dialogue and we fund these through SWAPs and basket funds.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

In LDCs we provide support through the Enhanced Integrated Framework. As above, we also support broad policy dialogue at the country level.

At the country level we would normally expect the multi-laterals such as the EC and the World Bank, who have a comparative advantage, to take the lead on demand led trade and growth-specific policy discussions. However, sometimes the UK or other bi-laterals take the lead.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Yes, our country programmes are aligned with partner country plans and budgets. Our preferred funding mechanism is budget support where conditions are favourable. We champion the Paris Declaration aid effectiveness principles and apply these to our programming.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

We work with and through other donors as a matter of course.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

We are committed to increasing our spending on aid for trade to £100m by 2010 in response to increased demands.

In April 2007, the then Chancellor, Gordon Brown announced at the meeting of the G7 ministers in Washington that the UK will contribute up to 20% or as much as £38 million over 5 years (\$74 million) towards the multilateral fund for the Enhanced Integrated Framework (EIF) for Trade Related Technical Assistance to Least Developed countries.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

The main objective of our new strategy is to provide clarity on the UK Government's position on Aid for Trade, without duplicating complementary institutional policy and strategy papers and international strategies for the delivery of Aid for Trade.

Our broad objective in respect of our programmes is to bring growth and trade to the centre of our thinking on sustainable development. New policies on growth and private sector development will set out our specific objectives, indicators of success, and monitoring arrangement.

One important indicator of success will be an increase of our aid for trade in line with stronger country led demand and our pledge to increase our bilateral assistance to £100m a year by 2010.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Evaluation methodologies are decided on a project by project basis for all our projects not just those that fit the aid for trade framework.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Yes, wherever possible and in general across our programmes including aid for trade activities.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

The first opportunity will be the Global Aid for Trade Review this November.

UNITED STATES

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Yes. The U.S. strategy for Aid for Trade is integrated within our overall development assistance framework. The United States supports trade, development and the interrelationship between the two. In 2002, the United States Government announced *The National Security Strategy of the United States*, which affirmed that development is as critical to national security as diplomacy and defense. In January 2006, the New Strategic Framework for Foreign Assistance was announced. Economic growth is one of the five pillars of the Framework, and support for trade—or trade capacity building (TCB) - is one of the priority objectives of the economic growth pillar.

The United States is in a unique position to provide TCB assistance on many levels— working with international organizations, national and local governments, and the private sector — using diverse methods. U.S. development assistance, including TCB activities has placed increased emphasis on the importance that countries play in their own development. A fundamental truth is that foreign assistance supports country progress. It does not lead it. We recognize that there is no one-size-fits-all approach to TCB assistance. U.S. aid for trade programs are based on three principles:

- Long-term sustainability of program results.
- Local ownership and commitment.
- Donor coordination.

The Strategic Framework builds upon two documents that lay out the elements of U.S. trade capacity building, or aid-for trade, strategy: “Participation, Empowerment, Partnership: Seeking Sustainable Results Through U.S. Trade Capacity Building” (2005) and “Improving Lives Through Trade and Aid” (2003)¹.

These principles enable the United States to provide flexible and effective assistance. As a donor, we strive to respond to the needs and priorities identified by our developing country partners and value their input to our TCB programs. We develop our assistance in line with the following: (1) Support for WTO-related technical assistance activities through the WTO’s Global Trust Fund and with project-specific support to the International Trade Centre; (2) Playing an active role in the effort to enhance the Integrated Framework for Least Developed Countries (IF) and contributing through our bilateral programming and financially to its trust fund; (3) TCB assistance for our developing country partners as an important element of our bilateral free trade agreements; and (4) Support for our partners to help them take advantage of unilateral trade preferences, including through the African Growth and

1. Available on the USTR (www.ustr.gov) and USAID (www.usaid.gov) websites.

Opportunity Act (AGOA), which has been extended through 2015 and the African Global Competitiveness Initiative, a \$200 million, five-year program, that aims to expand African trade with the United States, and other partners, and promotes export competitiveness.

The role of U.S. government agencies in providing U.S. TCB assistance continues to evolve, including as U.S. assistance levels continue to grow. The two leading implementers of U.S. TCB efforts are the U.S. Agency for International Development (USAID) and the Millennium Challenge Corporation (MCC), which has played an increasing role in TCB activities since its creation in 2004. Their broad work is complemented by more than twenty U.S. government agencies providing assistance in their areas of specialization.

U.S. Agency for International Development

USAID is present in over 70 countries, providing the United States with a unique opportunity to work with and respond to the needs of developing countries as they seize the opportunities of trade liberalization. Targeted bilateral or regional programs are a practical, effective way of providing aid for trade. More importantly, an on-the-ground approach enables the United States to build strong partnerships with developing countries. USAID's field programs are complemented by a range of TCB assistance provided by many other U.S. government agencies.

Millennium Challenge Corporation

MCC is a U.S. government development agency established in 2004 and is increasingly a major provider of U.S. TCB assistance. The MCC is based on the principle that aid is most effective when it reinforces good policy. MCC thus focuses on reducing poverty through economic growth in countries with relatively good performance in terms of governance, investing in people, and promoting economic freedom.

The United States recognizes that trade is a vital contributor to growth and a key component of MCA countries' efforts to achieve their potential and become full participants in the global trading system. The MCC is an innovative response by the United States to the needs and priorities we have heard from around the world, including at Doha.

Of course, governmental assistance is only a piece of the development picture. Recognizing that public-private alliances multiply the impact of official development assistance, the United States seeks to engage the private sector in development partnerships. The private sector provides assistance that ranges from developing information technology skills to helping small farmers. Examples of these partnerships include:

- The CISCO Networking Academy Alliance, which partners worldwide with several technology companies, teaches students computer networking and provides them with the skills required to compete effectively in the global marketplace.
- Starbucks and Green Mountain Coffee, through the Finance Alliance for Sustainable Trade, help small farmers shift to sustainable growing techniques and assist them in capturing a significant market premium for certified organic coffee. This alliance provides assistance in Central America and several African countries, including Rwanda, Tanzania, and Uganda.

Local businesses and farmers benefit from these efforts by developing new skills and forging partnerships with such companies, which enable them to tap into new markets and enhance their overall competitiveness.

The United States and its free trade agreement (FTA) partners have pioneered efforts to synchronize TCB with trade initiatives. A systematic and focused approach to assistance must be taken to support fast-moving negotiations in the WTO and other forums and to seize trading opportunities. A number of U.S. FTAs with developing country partners included the creation of a TCB Working Group that met in parallel with the negotiating groups. This model has since been used in U.S. FTA negotiations with the Andean countries, the Southern African Customs Union, Thailand, and others. During negotiations, the TCB Working Group provided an opportunity for both bilateral and multilateral donors to listen and respond to the needs and priorities of our prospective FTA partners. Once the FTA is concluded, standing TCB Committees help make aid for trade more responsive, effective and efficient.

The U.S. is the world's single largest contributor to international financial institutions, such as the World Bank, that provide their developing member countries with aid for, among other things, trade capacity building. In fiscal year 2006, U.S. donations to all multilateral organizations, including the UN and World Bank, totalled \$2.4 billion. Of that total, \$1.25 billion goes to international financial institutions. Our financial assistance to the international financial institution leverages resources from other donors as well as the private sector.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

3. How does this strategy address regional aid-for-trade challenges?

The United States Government uses the most appropriate institutions and mechanisms to address region-specific needs and challenges. In our experience, a combination of bilateral and regional assistance can yield significant results. Success is highly dependent on local commitment and intense collaboration with our developing country partners.

For example, the U.S. Government created regional Hubs for Global Competitiveness to support trade capacity building in Sub-Saharan Africa. USAID supports four hubs, located in Gaborone, Botswana; Accra, Ghana; Nairobi, Kenya; and Dakar, Senegal. In addition to assistance provided by these hubs, assistance comes from USAID headquarters, through USAID bilateral missions and by other U.S. government agencies. The Hubs respond to region-specific needs and serve as a central point for information and technical assistance on trade, investment, and business activities in the region, including training opportunities.

A wide range of activities are underway in each Hub, such as promoting exports of agricultural commodities, generating business opportunities for the export of textiles and apparel, and removing policy and infrastructure constraints that hamper trade. The Hubs have established AGOA resource centers to provide information and technical assistance on AGOA legislation, and to build relationships with U.S. businesses.

All four Hubs are staffed by experts in various trade-related fields. For example, advisors from the U.S. Department of Agriculture's Animal and Plant Health Inspection Service work on coordinating pest risk assessments and facilitating the export of agricultural products. In addition, the Hubs focus on products eligible for duty-free treatment under AGOA in sectors specific to their region, such as the Dakar Hub's work with fish and other seafood producers.

U.S. aid for trade supports efforts to expand intra-regional trade among developing countries, as well as trade between developed and developing countries. For example, the South Asia Regional Initiative promotes mutually beneficial energy linkages among the nations of South Asia. The program promotes an understanding of the benefits of regional energy trade and builds capacity for energy trading opportunities.

The U.S. Trade and Development Agency (USTDA) launched a Central America initiative to further implementation of the region's free trade agreement with the United States. The initiative supports economic development and regional integration in three key sectors: energy, transportation, and information communications technology (ICT). Most recently, commitments will support the transportation sector infrastructure in Honduras and Nicaragua.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. *How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?*

The United States Government defines trade capacity building (TCB) activities in the areas of policy, human resources, institutional infrastructure, and physical infrastructure as those that are designed to promote trade and/or have a direct link to promoting a country's ability to conduct trade within international trading system. It includes only initiatives and programs that strengthen the capacity of developing countries and transitional economies to engage in international trade. The United States developed a program to capture all of its TCB activities at the activity level, and since 2001 has conducted an annual survey of all participating agencies. This program enables the United States to determine on a case-by-case basis the extent to which a project or program may have trade-related components. The trade-related component is valued and counted towards the aid for trade commitments. This ability to dissect programs into their component parts is an important difference between the U.S. Aid for Trade definition and the OECD/CRS Aid for Trade definition. For example, each infrastructure project is examined to determine first if it has a trade-related element, and if so, how much of it can be attributed to TCB. Only a small portion of U.S. funding for infrastructure projects is included in the aid for trade definition.

As noted previously, many U.S. Government agencies and institutions provide technical assistance to help developing countries and rebuilding economies accede to the WTO, follow the rules of the international trading system or build their trade competitiveness. Those technical assistance activities that are not specifically related to WTO accession or agreements can include, but are not limited to, any of the following types of support activities:

- Negotiating regional trade agreements.
- Eliminating subsidies or price controls in the trade sector.
- Improving trade statistics.
- Encouraging business support services for exporting and importing companies.
- Developing business information for export and import markets.
- Improving trade competitiveness.
- Improving the legal capacity to adjudicate commercial transactions and disputes.
- Implementing anti-monopoly policies.

- Designing consumer protection policies.
- Reforming government procurement.
- Improving sanitary/phytosanitary standards in traded goods.
- Promoting technology transfer to enhance trade.
- Removing technical barriers to trade.
- Applying rules of origin.
- Improving customs procedures.
- Developing a competitive workforce.
- Promoting human resources and labour standards, including labour law awareness and enforcement, and elimination of the worst forms of child labour.
- Encouraging trade finance.
- Developing the financial sector.
- Achieving sound fiscal, monetary, and exchange rate policies.
- Developing necessary infrastructure for trade.
- Supporting trade-related transportation projects.
- Designing environmental standards and technology.
- Promoting investment agreements and investment protection mechanisms.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

The United States Government maintains a database of trade capacity building activities. Data is reported by the U.S. Government agency or field mission, which either funds or implements the activity. The data reporter is instructed to report only that part of the current year funding that is trade-related. A technical team led by the trade group within USAID works with the data reporters to ensure accuracy and consistency.

The TCB database can be found at <http://qesdb.usaid.gov/tcb/index.html>.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?²

Trade-Related Investment Needs, 2006-2015 (In million of Euros)

Trade Capacity Building Category	2002	2003	2004	2005	2002-2005 Total
<i>-- millions of dollars --</i>					
WTO Awareness, Accession, & Agreements	50	50	35	37	171
Business Services, Training, E-Commerce & IT	97	104	118	197	515
Customs, Export Promotion, & Other Trade Facilitation	61	91	128	143	424
Regional Trade Agreements	9	29	33	29	100
Financial Sector, Governance, and Policies	131	155	158	233	677
Human Resources and Labor Standards	100	115	138	88	441
Environmental Trade & Standards	19	29	29	29	107
Trade-Related Physical Infrastructure Development	19	44	120	346	529
Trade-Related Agriculture	84	104	115	164	468
Services Trade Development	45	17	25	26	113
Other Trade Capacity Building	22	22	22	53	119
TOTAL TRADE CAPACITY BUILDING	638	760	921	1,345	3,664

PLEDGES**7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.**

At the Ministerial Conference in Hong Kong, the United States announced its plans to more than double its contributions to global Aid for Trade, from \$1.3 billion in 2005 to \$2.7 billion in grants by 2010. This is consistent with the priority the United States has given to providing developing countries with the tools to benefit from the global trading system. U.S. cumulative spending in 2001-2005 totalled over \$4.2 billion in grants. To complement our commitment, we look to our developing country partners to prioritize trade in their national development plans.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?**HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?****MAINSTREAMING****9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?**

The Aid for Trade Task Force placed a strong emphasis on the need for increased attention in all countries, donor and recipient, to trade as a tool for development. It emphasized, in particular, the need for recipient countries to prioritize trade in national development plans and for donors to improve coordination and coherence in their responses to these plans. The U.S. Government, for its part, has expended increasing efforts to ensure coherence among our trade and development agencies and to more fully integrate trade capacity building as a part of our overall development framework. Of course, our efforts must be complemented by increased coherence on the part of our developing country partners as they prioritize their needs, including trade capacity building needs, in the context of their overall development objectives.

The United States is making continual efforts to improve the efficiency and coherence of aid-for-trade and other development assistance. The new office of the Director of Foreign Assistance in the

Department of State has developed an improved system for coordinating assistance planning and matching funding allocations with its development objectives. The Director of Foreign Assistance, who serves concurrently as the Administrator of USAID, consults closely with the U.S. Trade Representative and senior representatives of other trade and development agencies in developing the President's annual Foreign Assistance budget proposal to the Congress.

The U.S. Government is also taking region-specific steps to increase the effectiveness of its trade capacity building assistance. For example, the African Global Competitiveness Initiative (AGCI), announced in 2005, aims to build sub-Saharan Africa's capacity for trade and competitiveness. Through AGCI, the U.S. Government collaborates with host-country governments, regional organizations, and private sector partners to promote a range of activities focused on advancing economic growth and trade. The AGCI coordinates the resources of the U.S. Government to build capacity and stimulate investment in Africa. Areas of emphasis include private sector development; information and communication technologies dissemination; export diversification; financial sector strengthening; infrastructure investment facilitation; and international quality standards and inspection requirements compliance.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Interagency working groups within the U.S. Government help improve the effectiveness and coherence of U.S. trade capacity building (TCB) activities. Coordination of these groups is led by the Office of the U.S. Trade Representative. United States TCB activities are strengthened by the resources and technical expertise of the following agencies: USAID, MCC, the U.S. Trade and Development Agency, the Departments of Agriculture, Energy, Interior, Justice, Labor, State, and Transportation; the Environmental Protection Agency; U.S. Customs and Border Protection of the Department for Homeland Security; The Commercial Law Development Program; International Trade Administration, U.S. Patent & Trademark Office, and the National Institute of Standards & Technology of the Department of Commerce; the Food & Drug Administration; the Federal Trade Commission; U.S. Export-Import Bank; and the Overseas Private Investment Corporation.

USAID has a cadre of economic growth officers in the field, and a trade team based in Washington, which serves as a valuable resource to developing countries worldwide. The Washington-based team is made up of individuals with extensive trade and trade-policy experience. USAID also provides in-depth courses on trade capacity building.

The Commercial Law Development Program (CLDP) of the U.S. Department of Commerce has legal trade-related expertise to assist governments with drafting and implementing laws based on international commercial law standards, which support trade liberalization and market-based economic developments.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

One of the cornerstones of the U.S. trade capacity building strategy is that TCB works most effectively when developing country partner governments and civil society prioritize trade as part of development. If those efforts require strengthening in a particular country, the U.S. Government

makes available assistance activities for countries to analyze trade development challenges and assess their own capacity needs.

For example, countries that are eligible to receive Millennium Challenge Account (MCA) assistance identify for themselves the greatest barriers to their own development and, in consultation among government, civil society, the private sector and others, develop their own MCA program proposal. MCC evaluates the proposal based on its contribution to growth and poverty reduction and works with partner countries to help them fully develop the program. The country itself then implements the program. To further the incentive for policy reform, MCC also has a “Threshold” program for countries that come close to qualifying but fall short on one or more of the indicators. This program is smaller and more directed but also has trade-related elements as countries improve customs systems to reduce corruption, address cost and days to start a business and look to improve their trade policy.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

USAID has more than seventy field and regional missions. Having a local presence allows USAID officials to engage with capital-based officials and other key stakeholders on a country’s development and aid-for-trade priorities. The United States participates as well in multilateral processes and local donor efforts to coordinate aid-for-trade such as the IF.

In addition, the TCB Working Groups associated with bilateral free trade agreement negotiations strongly encourage trade partners to engage all stakeholders when preparing for, negotiating, and implementing agreements with the United States. Active participation by both the private sector and civil society is critical to the success of any trade agreement. USAID’s field presence is particularly useful in bringing together disparate groups in these circumstances.

ALIGNMENT

Refers to donors basing their overall support on partner countries’ national development strategies, institutions and procedures.

13. Are you using the partner countries’ policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

The U.S. Government targets trade capacity building assistance to partner countries which demonstrate their commitment to needed economic reforms, including in trade-related areas. One of the ways in which developing countries demonstrate that commitment is through their own policy planning and budget choices.

For example, MCA participation requires a high-level commitment from the selected country. In the MCC approach, the partner country determines the TCB component of its MCA Compact program based on its own prioritization of trade. So far, MCA countries have put a relatively high priority on trade and over half of all MCC programs have been trade related.

HARMONISATION

Refers to donors’ actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

The United States Government uses a variety of institutional mechanisms to coordinate trade capacity building analysis and programs with other donors.

The United States has served as the IF donor facilitator in both Mali and Mozambique, and collaborated with the World Bank on the diagnostic trade integration studies.

Field missions work directly with their counterparts from other donors to improve TCB efficiency and reduce redundancies.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

U.S. TCB assistance focuses on regional and bilateral programs that take advantage of an extensive network of local missions that are in continuous contact with recipients, thereby ensuring that programs are flexible and can respond in a timely way to local needs and opportunities.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

U.S. aid for trade activities are extremely diverse, and the objectives and timeframes reflect the unique circumstances of each country and project. The timeframe of some activities – such as training on trade policy issues – may be as short as a few weeks. Other activities – such as assistance in harmonizing trade and transport standards, procedures and infrastructure – often require multi-year time frames.

One example of how the U.S. Government sets objectives and time-frames for trade capacity building is the Millennium Challenge Corporation's compacts with partner countries. Specific objectives and time-frames, as well as measures of success, are set to best reflect country conditions and the areas of assistance.

Another example of U.S. Government setting objectives and time-frames for trade capacity building involves technical assistance related to TIFAs or bilateral FTA negotiations with a developing country. In these circumstances, CLDP helps our developing country partners build capacity and bring it into legal compliance with agreed to provisions of the agreements. The date by which the developing country completes all agreed to terms often affects the date agreements go into force. Success can be measured by whether a country has come into compliance or not.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

USAID is in the process of implementing a Cluster Evaluation Methodology as an approach to evaluating Aid-for-Trade. This form of evaluation has been used by the World Bank and other larger multilateral agencies. Cluster evaluation is sometimes described as a sub-category of multi-site evaluation, but some of the objectives and methodologies employed are different.

Cluster evaluation methodology has the following characteristics:

It looks across a group of projects to identify common threads and themes that, having cross-confirmation, take on greater significance;

It seeks not only to learn what happened with respect to a group of projects, but why those things happened;

It happens in a collaborative way that allows all players – projects, donors and external evaluators – to contribute to and participate in the process so that what is learned is of value to everyone; and

The relationship between individual implementers and the external evaluators conducting the cluster evaluation is confidential. This ensures an environment in which projects can be comfortable in sharing with the cluster evaluators the realities of the work they have undertaken, problems and frustrations as well as triumphs. It greatly increases the usefulness of evaluation findings.

Primary goals of cluster evaluations include:

Determining how well the collective cluster of projects has succeeded in achieving the funding objectives (objectives-oriented evaluation);

Translating individual project findings into broad recommendations about the program/area under which the cluster is funded (utilitarian evaluation).

Developing consensus among a group of practitioners and stakeholders about what works. (participatory evaluation)

A founding principle of the Millennium Challenge Account (MCA) is to plan for monitoring and evaluation (M&E) at an early stage in program design in order to boost the effectiveness, accountability, and transparency of development assistance. MCA Compact development includes defining clear objectives and benchmarks to measure progress and a plan to measure results. Monitoring and evaluation covers the entire life cycle of an MCA program from concept through implementation and beyond. MCA programs that address trade are treated in this way. Further information on MCC monitoring and evaluation methodology can be found at: <http://www.mcc.gov/countrytools/compact/fy07guidance/english/29-guidelinesformande.pdf>

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

The U.S. participated in the OECD effort to develop tools to improve monitoring and evaluation of aid effectiveness for trade-related assistance. Additionally, USAID development publications including evaluations are publicly available online at: <http://dec.usaid.gov/partners/evalweb/>

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

The Paris Declaration seeks to encourage locally-developed action plans and coordinating processes based on a more frank recipient-donor partnership, with a view to improving aid effectiveness and achieving better development results. The U.S. supports all 54 commitments in the declaration. For 12 of those commitments, indicators and targets were set as part of an agreement to monitor progress on the aid effectiveness declaration. The U.S. placed a reservation on the targets related to donor use of country financial management and procurement systems, pending resolution of an agreed method for defining and assessing quality systems. These are being developed in a DAC-multilateral institution-host country partnership, which the U.S. is actively supporting in order to be able to remove its reservation. Where such mechanisms exist at country or regional level, the United States participates. However, based on the data from the 2006 Survey on Monitoring the Paris Declaration, only 44% of the surveyed countries had such mechanisms in place.

URUGUAY

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. *What priority is accorded to trade development in your country's economic growth/national development/poverty reduction strategy?*

Uruguay es una economía con un mercado doméstico muy reducido, razón por la cual la inserción internacional ha sido definida como un factor clave para el desarrollo. El incremento de las exportaciones y el acceso a bienes de capital e insumos productivos en condiciones competitivas son prioridades permanentes del gobierno.

Se ha creado una instancia interministerial que coordina las actividades en materia de comercio internacional (CIACEX, Comisión Interministerial para Asuntos de Comercio Exterior), la cual tiene por objeto definir posiciones coordinadas a nivel del Poder Ejecutivo frente a los asuntos comerciales relevantes.

2. *Do you have a government-wide trade development strategy and if so what are its main priorities? What time period does it cover?*

No existe una estrategia de fomento explícita, pública, y con indicadores de cumplimiento definidos. Sin perjuicio de ello, existen pautas de trabajo compartidas, sobre la base de las cuales los distintos ministerios orientan su accionar.

3. *Does your trade development strategy specify aid-for-trade needs?*

Los distintos Ministerios procuran obtener financiamiento de cooperación para la realización de las actividades en esta área, pero dichos esfuerzos no son la derivación directa de la implementación de una estrategia compartida.

4. *What are the main trade development challenges and opportunities you face which require collaboration with other countries in your region? Are these addressed in your trade development strategy?*

Los desafíos varían en función de condiciones de coyuntura que cambian muy dramáticamente en poco tiempo, para el caso de Uruguay.

Dentro de los desafíos de carácter más permanente se destacan los esfuerzos para lograr una inserción internacional más agresiva basada en la diversificación de mercados externos, la incorporación de mayor valor agregado en las exportaciones, mejoras en el acceso a mercados externos y el logro de una mayor estabilidad en las condiciones de acceso a los mercados de los Estados Miembro del MERCOSUR.

HOW MUCH AID-FOR-TRADE DO YOU RECEIVE?

5. ***Have you costed your trade development strategy? What percentage of your trade development financial requirements do you expect to be funded by ODA?***

Los fondos son obtenidos por los distintos Ministerios por la vía de gestiones independientes. No existe información consolidada al respecto.

6. ***Which activities do you consider are supporting your trade development strategy? Accordingly, how much aid-for-trade have you received by category for the period 2002-2005, and in particular in 2005?***

Ver respuesta anterior.

7. ***Describe any key trade development priorities that are constrained by lack of donors' funding?***

Uruguay carece de un equipo de negociación comercial interministerial de carácter permanente, al estilo del que tiene Chile.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

8. ***Describe the internal governmental coordination process to prepare your trade development strategy.***

Tal como hemos mencionado antes, se ha creado una instancia interministerial que coordina las actividades en materia de comercio internacional (CIACEX, Comisión Interministerial para Asuntos de Comercio Exterior). A esto se agregan las secciones nacionales de los organismos de comercio del MERCOSUR (Sección Nacional de la Comisión de Comercio y Sección Nacional del Grupo Mercado Común), las cuales también son instancias de coordinación, si bien con un alcance más restringido.

OWNERSHIP

Refers to partner countries exercising effective leadership over their development policies and strategies and coordinating development efforts.

9. ***What needs assessment tools do you use to formulate your trade development strategies (do you use diagnostic studies, e.g. such as those prepared under the Integrated Framework?)***

Las evaluaciones son de carácter cualitativo, en función de la apreciación que las autoridades realizan de los avances registrados.

10. ***How do you involve key stakeholders (including the private sector and civil society) in the identification of your trade development challenges and opportunities?***

La promoción deriva del contacto de las autoridades con dichas entidades, y la existencia de un clima receptivo y proactivo a su participación.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

11. Are external partners using your policy planning and budgeting framework as a basis for their aid-for-trade support?

Los pedidos de apoyo siempre parten de la inexistencia de recursos presupuestales para cumplir el objetivo en cuestión. La presentación de los proyectos incluye la explicitación de esos problemas.

12. How well do aid-for-trade flows reflect your government's trade development priorities and what aid management information system do you use?

Los recursos obtenidos por los distintos ministerios se ajustan a las prioridades que cada ministerio ha definido, en el marco de las pautas generales del gobierno. No hay un sistema común de información de gestión de la ayuda.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

13. How do you encourage external partners to coordinate their trade related analyses and programming? Where, if at all, are the main coordination gaps?

El gobierno procura evitar la existencia de proyectos que se superpongan.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

14. How do you measure the success of your trade development and aid-for-trade strategies?

Las mediciones dependen de los objetivos de cada ministerio.

15. Do you cooperate with donors and other stakeholders in joint monitoring and evaluation of aid-for-trade programmes?

El gobierno fomenta el manejo transparente de los fondos de los programas de ayuda.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

16. The WTO Task Force recommended establishing "A National Aid-for-Trade Committee, where necessary, to ensure trade mainstreaming in national development strategies, determine country needs, set priorities, assist in matching 'demand' and 'response', and help in evaluation." Has such a Committee, or an equivalent body, been established in your country?

No.

17. Describe the process and key actors (such as donors, private sector-representatives, etc.) involved in reviewing progress toward fulfilment of your aid-for-trade and trade development commitments?

Es una pregunta para el MRREE y MEF.

MULTILATERAL OR GLOBAL
ORGANIZATION

AITIC

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

AITIC's mandate, as defined in the *Agreement Establishing AITIC as an IGO*, is aid-for-trade, thus its strategy is bound to be an aid-for-trade strategy in its entirety. AITIC's general mandate is to assist less-advantaged countries (LACs) to have more effective trade-led growth, an active participation in the multilateral trading system (MTS) and a successful trade diplomacy, through technical assistance and building capacity for trade policy design.

To achieve this objective, AITIC's strategy consists of the following elements:

- focus on personalised assistance to delegates, targeting those more in need, i.e. the least-developed countries and those members and observers of the WTO without permanent representation in Geneva;
- identification of trade-capacity needs and national priorities in close consultation with LAC officials; and
- addressing the demands through the provision of information, written analyses and advice; seminars and workshops; on-the-job training for LAC government officials, through ad hoc programmes.

AITIC's documents strive to present technical matters in a comprehensible language, focussing on developing countries' main concerns; they aim to be concise, rigorous and objective; they are translated into the three official languages of the WTO and occasionally, on demand, into other languages.

AITIC's targeted trade-related support to representatives in Geneva and capital-based officials seek to complement that provided by other organisations, to avoid unnecessary duplication and to promote coordination and coherence. AITIC has established close collaboration with several AFT providers with which it organises joint activities.

AITIC's advisory, training and capacity-building activities are demand-driven. They consequently promote the sense of ownership of beneficiary countries.

AITIC is guided by the principles of the *Paris Declaration on Aid Efficiency*.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

AITIC's focus and work programme were influenced by the launching of the Aid for Trade initiative. The diagnostic provided by the AFT Task Force was found to be accurate and its recommendations were followed, to the extent they corresponded to AITIC's mandate and areas of work. In fact, the main evolutions in AITIC strategy since December 2005 had already been initiated and were simply reinforced by the AFT initiative. A few examples illustrate how AITIC's strategy has evolved:

- bolstering the demand side and assisting on capacity building for trade policy design;
- reinforcing the regional dimension, already present in past activities;
- building closer relations between the public and the private sectors and promoting public-private partnerships;
- moving further towards activity-based budgeting;
- being subject of and contributing to monitoring and evaluation;
- encouraging and playing a role in the improvement of effective national and regional coordination and coherence.

The last point has been tackled by two new programmes developed by AITIC which have a dual purpose: to provide personalised on-the-job training on WTO and trade and development policy to LAC officials, and to improve the communication and coordination between missions in Geneva and officials in capital.

Regarding monitoring and evaluation, AITIC's has given particular attention to assisting LACs on their Trade Policy Reviews (TPRs), particularly on presenting their aid for trade needs and requirements to the donor community. During the TPR preparatory period, AITIC provides assistance to these countries in general and in particular on specific AFT categories. Post-TPR events, organised by AITIC in Geneva, bring together potential donors, trade-related international organisations and the private sector. This type of meeting gives the trade minister of the country reviewed as well as other members of the country delegation (private sector and civil society representatives - parliamentarians or national NGOs) the opportunity to present the outcome of the TPR and to alert other stakeholders, including international organisations and development partners, on the areas where the country trade needs are most acutely felt.

Finally, since the Hong Kong Ministerial Conference, AITIC has strived to raise awareness of the opportunities open by the new AFT initiative and started consultations with the different stakeholders to advance on the effective operationalisation of AFT.

3. How does this strategy address regional aid-for-trade challenges?

On receiving a demand from a country, AITIC works with government officials on refining trade-related priority needs and exploring the advantages of considering the regional dimension: from regional integration in general, to specific issues which lend themselves to regional cooperation, such as customs procedures, transport and trade facilitation, harmonisation of trade-related measures, such as mutual recognition agreements, SPS, TBT, etc. AITIC, in contrast with the WTO, has the autonomy to advise governments, at their request, on their trade policy and negotiations in general. Evidently, this also applies to their regional strategies, such as EPAs.

Certain capacity-building seminars are organised at the regional level, where the countries can discuss and exchange information on trade policy strategies, WTO accession and post accession issues, multilateral and regional trade negotiations, implementation, etc.

An example of AITIC's work on the regional dimension of AFT is a project for the Organization of Eastern Caribbean States (OECS) on the development of port infrastructure and maritime transport services based on two hubs (in St Lucia and Antigua) to interface with the wider Caribbean region and the rest of the world. As a result of consultations with regional and national authorities, AITIC has taken steps to assist the OECS on formulating this project, which answers a need identified at the regional level.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

As AITIC's mandate is an AFT mandate, all its activities have to form part of AFT. And since most, if not all, of its activities and programmes would actually form part of the narrower TRTA category, the question of the definition of AFT is consequently less of a problem for AITIC. The Agency is indeed not involved in any kind of programme that would form part of the grey area of the definition of AFT given by the task force.

Assistance to the less-advantaged countries to develop their capacity to trade, in particular through a better understanding of the rules of multilateral trade and the importance of trade as a development tool is how AITIC defines AFT. In relation to the definition contained in the Task Force Recommendations, the programmes, projects and activities under AITIC's business plan would fall under two particular AFT categories: Trade Policy and Regulations and Trade Development.

The general objective is to enable LAC governments to access trade-related assistance and elaborate trade policy frameworks conducive to trade-led growth and development. The specific activities include:

Trade Policy and Regulation (TP&R):

AITIC Programme/Project	Creditor Reporting System/TP&R Category
Provision of technical assistance and capacity-building to LACs on WTO issues and the Doha negotiations	<i>Multilateral trade negotiations Thematic areas: Agriculture, NAMA, services, rules, TBT, SPS, trade facilitation, accession, trade and environment, TRIPS, customs valuation, dispute settlement, trade and competition, trade and investment. Trade education and training</i>
Promoting the integration of LDCs into the MTS	<i>Mostly Trade education and training (including trade negotiation techniques and trade mainstreaming/development plans)</i>
Assistance and advice to LAC governments on WTO accession and post-accession process	<i>Multilateral trade negotiations Trade education and training</i>
Support to non-resident LACs' participation in the MTS (e.g. Geneva Weeks)	<i>Multilateral trade negotiations Trade education and training</i>
Provision of timely trade-related information of trade-related issues and multilateral or bilateral trade negotiations	<i>Multilateral trade negotiations Trade education and training</i>
Translation of AITIC and other trade related documents	<i>Multilateral trade negotiations Trade education and training</i>
Updates and translation of the <i>AITIC Glossary of International Trade Terminology with Particular Reference to the WTO</i>	<i>Multilateral trade negotiations Trade education and training</i>
Capacity-building of LAC government officials through the Internship, Official Fellowship and Professional Trainee Programmes	<i>Trade education and training</i>
Dissemination of information on AFT through formal and informal meetings, workshops and multimedia tools	<i>Multilateral trade negotiations Trade education and training</i>

Trade Development (TD)

AITIC Programme/Project	Creditor Reporting System/ TD Category
Regional AFT OECS Project	<i>Trade promotion strategy and implementation</i>
Transfer of Business Skills and outreach to the private sector	<i>Public-private sector networking</i>

5. How do you allocate the aid-for-trade share in individual projects and programmes?

Given that all the AITIC work is aid-for-trade, the share is 100%.

COMMITMENTS

6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?

AITIC has reported information on its AFT activities to the joint WTO/OECD database since 2001 and has reported its commitments, as translated into concrete programmes and projects, using the TP&R and TD definition as provided in the database.

AITIC commitments by category for the period 2002-2005 (in thousands of CHF) are as follows. However, these figures do not include personnel costs, which were not yet included in project outlays. As of 2005, AITIC is taking further steps to have full activity-based budgeting and by 2006 should be in a position to include personnel costs in the expenditure of its various projects.

Category	Sort Code	Period 2002-2005
Trade mainstreaming in PRSPs/ development plans	33111	82
Trade facilitation procedures	33121	117
Customs valuation	33122	16
Regional trade agreements (RTAs)	33130	20
Accession	33141	92
Dispute settlement	33142	82
Trade-related intellectual property rights (TRIPS)	33143	21
Agriculture	33144	162
Services	33145	46
Rules	33147	71
Trade and environment	33151	4
Trade and competition	33152	20
Trade and investment	33153	20
Trade education/ training	33181	3,750
Public-private sector networking	25012	117
Total		4,620

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

AITIC is not an individual donor, thus no pledges were made before or after Hong Kong.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

AITIC has a five-year budgetary cycle, which is coming near the end. In 2009 a new cycle begins. The financial plan for the 2009-2013 contemplates a budget of CHF 30 million.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

In contrast to bilateral donors, AITIC's activities are part and parcel of its development strategy which is in itself an AFT strategy. AITIC gives priority to building capacity on trade design to ensure that the programming of AITIC's activities (which takes place at AITIC's offices in Geneva) responds to the development strategy of the recipients of its assistance. This constitutes the second main element identified in AITIC AFT strategy as explained under question 1 above. AITIC gives priority to those country requests that have been "mainstreamed" into the recipients' overall development plans.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Strengthening in-house aid-for-trade expertise is an ongoing process. Following the recent establishment of AITIC as an intergovernmental organisation, the recruitment of additional and more

experienced trade experts has been possible. However this process was started prior to the launching of the AFT initiative.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

It has been recognised that, generally, there is insufficient awareness of trade as a tool for development on the part of both donors and recipients. Thus, raising awareness of the importance of the trade component in national development plans has been a major component of AITIC's strategy. Similarly, AITIC focuses on advice on trade policy design. These two elements encourage those countries that have not done so, to mainstream trade into their development plans. Even in those countries which have integrated trade as a key component of their development strategy, AITIC does not lose sight of the importance of underscoring the trade dimension. While planning a specific activity or project, AITIC ensures that the trade-related needs and requirements of the country are taken into account. During the seminars/workshops the significance of integrating trade into the different aspects of national development policy is emphasised. The concept of coherence within the government departments and between the government, civil society and the private sector is also highlighted.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

Since the launch of the AFT initiative, AITIC initiated a series of activities aimed at raising awareness – which culminated with the construction of a web page on AFT in AITIC's web site – of this new trade-development tool and has encouraged policy dialogues amongst all stakeholders, both in Geneva and in those countries which requested this kind of assistance.

In 2007, AITIC held a series of consultative meetings/policy dialogues with all AFT actors concerned: potential recipient country officials, donors, representatives of international and regional organisations and private sector representatives from both developing and developed countries. Each group discussed priorities and concerns. A final *Forum on AFT* brought all groups together to discuss the outcomes and findings of the previous meetings and to devise follow-up actions. The first concrete outcome will be an AFT Handbook with information on the AFT initiative, its development and a guide to the “culture” of individual donors.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

In this context, AITIC “partner countries” are its Participating Members (the recipients of its assistance) and Sponsoring Members (those funding AITIC and the assistance it provides). AITIC is aware of the policy planning of its Participating Members, particularly those who make specific requests. In most cases their trade policy and policy planning are indeed used as a basis for the

provision of AITIC's AFT responses to the demands, according to the second main element identified in AITIC AFT strategy (see question 1 above). The objective is precisely to make sure that AITIC programmes form part of their policy planning and budgeting. Regarding AITIC's Sponsoring Members, there is a lack of information on their policy planning and budgeting, so these cannot be used as the basis for the provision of AITIC's AFT.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

AITIC collaborates with other trade-related organisations and coordinates with them particular projects at the country level, whenever feasible to reduce costs and increase synergies. AITIC would encourage donors to make more information available on their AFT analyses and programming at the country and regional levels to facilitate the AFT operations of trade-related intergovernmental and regional organisations, as well as NGOs, and to improve the coherence and coordination of donor responses.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

AITIC's financial base has been significantly enlarged since the Agency's creation as an association under Swiss private law in 1998. With the establishment of AITIC as an intergovernmental organisation in 2004, a global budget spread over five years has gradually increased at an annual average rate of 14%.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

AITIC's ultimate and long-term objective is to foster a more active participation of the less-advantaged countries in the MTS and to promote trade-led growth that will contribute to effective poverty reduction and the fulfilment of the Millennium Development Goals. As for timeframes, AITIC's next five-year budgeting cycle will begin in 2009, with a new five-year AFT overall strategy. AITIC's more specific programmes and projects, contained in a yearly business plan which is elaborated in consultation with AITIC's members, aim at achieving concrete results defined for each of its projects. As AITIC activities are designed to be demand-driven, its annual business plan builds in sufficient flexibility to be able to respond to ad hoc demands formulated by AITIC's members.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

AITIC AFT projects, programmes and more generally to its delivery of services to its Members are evaluated internally on a systematic basis, and externally at regular intervals. The internal evaluations rely on three types of instruments: quantitative, qualitative and check-list. The annual report that AITIC presents on the implementation of its annual business plan quantifies the number

of meetings organised, documents produced, demands received, time to respond, etc. during the year to allow Members to measure the output volume. The qualitative evaluations are based on the compilation of the responses of the participants to the evaluation questionnaire circulated at the end of most AITIC activities. These evaluations constitute one of the bases for the elaboration of the following year's business plan. Finally, whenever possible prior to the launch of a project or activity, a check list of identified objectives is drawn, and whenever the project or activity is concluded, the list of objectives is tallied against the results.

The internal evaluations are regularly complemented by external evaluations performed by independent consultants. In 2007, a perception audit was conducted with AITIC Members and usual business partners. An external evaluation of the quality and relevance of its services was also performed.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

AITIC has participated in joint monitoring and evaluation of projects and programmes of AFT providers, including the evaluation of other intergovernmental and regional organisations and NGOs. AITIC's "partner countries" are its Members, both Sponsoring (donors) and Participating (recipients) and they jointly monitor and evaluate AITIC's programmes. Independent external evaluations of AITIC's activities have regularly been conducted.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

AITIC's programme commitments and its AFT strategy is regularly monitored by its members through AITIC's governing bodies: the Executive Board and the Council of Representatives. The proposed yearly business plan and corresponding budget are first presented to the former for review and then are approved by the latter. The same bodies examine and approve the execution of the business plan and budget after the year-end. These bodies are convened at least once a year and at these meetings AITIC's past activities are discussed and its AFT strategy is fine tuned. Every five years, the renewal of AITIC's funding is a further opportunity for its Members to define the broad strategy of the organisation, in the light of past achievements. More informally, AITIC keeps regular contact with its Members, who review and monitor the execution of its business plan and make new requests. AITIC has not participated in formal mutual accountability arrangements, although it frequently participates in the evaluation and monitoring of other trade-related programmes or organisations and can assume that other organisations, and stakeholders review and evaluate its activities.

ASIAN DEVELOPMENT BANK

HOW DO YOU SUPPORT AID-FOR-TRADE?

1. Do you provide support for the aid-for-trade initiative?

Well before the Aid for Trade (AfT) initiative, ADB was actively involved in various trade-related activities at country and regional levels in the Asia and the Pacific region. Trade-related activities include among others, regional and national infrastructure with cross-border impact; trade facilitation and customs modernization; export promotion and diversification; enhancing production capacity including SME trade and finance; and policy and institutional support for trade regimes.

2. How has this support evolved since the December 2005 WTO Ministerial Conference?

3. How does this support address regional aid-for-trade challenges?

In June 2006, ADB President Kuroda along with Presidents of other regional development banks has expressed strong support for the AfT. This has set the tone for a more systematic incorporation of AfT in ADB's ongoing and future operations. An internal review paper which will take stock of past AfT-like activities has been prepared. This has also examined operations and resource implications for ADB in case additional resources for AfT are made available.

The AfT initiative does not entail any dramatic departure from ADB's current medium term strategy. Operational involvement in trade related activities in DMCs is already incorporated in the forward-looking Country Strategy Programs (CSP)¹ and Regional Cooperation Strategy Programs (RCSP).²

The RCSPs include cooperation programs involving trade-related projects and are guided by ADB's Regional Cooperation and Integration (RCI) Strategy (RCI Strategy comprises, Pillar I-Infrastructure, Pillar II-Trade and Investment, Pillar 3-Finance, and Pillar 4- Regional Public Goods) which was adopted in July 2006. Currently, infrastructure, trade and other projects with AfT implications may be allocated under the Regional Cooperation Fund.

1. Now Country Partnership Strategies (CPS).
2. Now Regional Cooperation Strategies (RCS).

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

ADB uses the same criteria for identifying the six categories of AfT activities as those outlined in the WTO Task Force Report on AfT. A major consideration is whether the concerned loan or technical assistance contributes directly to improving the external trade situation of the beneficiary country. In general, these are the projects with regional cooperation identified as a strategic development theme. Projects which benefit mostly the domestic economy are not included.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

There is no AfT share in a project. A project is either an AfT or not an AfT activity depending on its performance on the criteria for AfT projects.

COMMITMENTS

6. According to your aid-for-trade definition, what were your programmes by category for the period 2002-2005 and in particular for 2005?

Data in the past (i.e. data reported in the OECD-DAC for 2002-2005) was based on narrow definition of aid for trade in terms of benefiting directly actual exports and imports. Structural adjustment, productive sectoral capacity enhancement and infrastructure development were not reckoned as aid for trade in that computation. New information on forward looking estimates of AfT using the Task Force definition of AfT and based on CSPs and RCSPs (forward-looking programs) are provided by the Review Paper.

FINANCING

7. Describe any aid-for-trade programmes you have initiated since the December 2005 WTO Ministerial Conference.

In 2006, ADB began to work with WTO and other MDBs on the AfT initiative and now part of WTO AfT Roadmap for 2007 including membership to the WTO AfT Advisory Group and Technical Working Group on global monitoring of AfT flows and co-hosting of the Regional AfT Review in Asia and the Pacific.

AfT activities including the conduct of the Review Paper on AfT, and coordination with WTO, World Bank and OECD are being operationalized under the RCI strategy of ADB adopted in July 2006. An informal board seminar was conducted to provide a briefing on AfT and the possible role of ADB. A small-scale technical assistance has been provided to support the AfT initiative in the region.

8. What is your financial plan for aid-for-trade?

There is no financial plan specifically for AfT. The Review Paper has looked into the scope for increasing ADB involvement in AfT if additional ODA funds are provided by donors to ADB.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE PROGRAMMES?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development programming both at head quarters and in-country?

The RCI strategy provides strategic direction on AfT activities. Pillar 1 provides enabling hardware and software for cross-border infrastructure and related services like trade facilitation and customs modernization. Pillar 2 (on trade and investment) provides technical assistance on trade capacity building and knowledge management activities such as FTA training, FTA database and various researches.

AfT activities are effectively integrated through the RCSPs for regional cooperation projects and CSPs for national projects, both for loans and TA.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

The Review Paper has looked into the needs of strengthening AfT expertise within ADB. Actual strengthening of the expertise will not be a cost free exercise. If additional funding becomes available to ADB to support AfT the additional cost involved can be better justified.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

The operational focus of ADB is fighting poverty in the region. AfT activities are a part of this overall thrust of the programs and strategies agreed with the assisted countries. In the RCI strategy AfT is specifically incorporated under Pillar 2. Policy dialogue on AfT is included as part of the road maps and action plans agreed with the countries concerned in the various sectors and are monitored during CSP implementation.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

ADB maintains strong partnership with other stakeholders and institutions involved in trade policy. It participates in the poverty reduction strategy papers (PRSP) exercises and coordinates its CSPs and RCSPs with the other donors, particularly the World Bank. As the lead agency in GMS program it has encouraged resource mobilization for AfT activities in infrastructure projects. ADB is involved in facilitating other bilateral and regional forums through its sub-regional programs (e.g., CAREC and ASEAN) and working groups to discuss priorities and share best practices experiences. Sharing of lessons learned from successful Asian countries (e.g., Asian NIEs, PRC and India) for others in the region (especially LDCs and small states) is an important function of ADB.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

The CSPs and RCSPs are aligned with national plans, budgets, expenditure frameworks and public investment programs. Recipient countries will be more convinced of mainstreaming trade in their development strategies if they are provided with additional assistance for AfT.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

ADB is working closely with World Bank and other agencies to ensure effective coordination and assessment of AfT activities.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

There is no amount set aside for aid for trade in ADB's lending or TA. However the share of AfT in ADB's lending and TA is expected to increase over time to reflect the higher priority to AfT activities in future CSPs and RCSPs.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

The review report has addressed some of these issues. The first step in any accountability mechanism is to set the benchmarks against which performance should be judged. This will require an agreed approach among all stakeholders to avoid confusing the recipient countries on the expected delivery of results.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

The mechanisms for this exercise as well as those involved in questions 16-18, are best worked out on a multilateral basis. ADB looks forward to discussions on the subject in the meetings of the Working Groups on Aft.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

A primary objective of the EBRD is to support market-based institutions and the private sector in the formerly centrally planned economies of Central and Eastern Europe, the Commonwealth of Independent States (CIS) and Mongolia (transition economies). While many projects supported by EBRD promote trade, the Bank does not have a specific aid-for-trade strategy.

However, the EBRD has a dedicated trade financing programme (*Trade Facilitation Programme – TFP*) designed to overcome counter-party risks in trade credits. The programme was launched in 1999. To date, EBRD has supported 6,345 transactions for EUR 3.7 billion under the TFP. 108 Issuing Banks in 19 countries and more than 640 Confirming Banks in 77 countries are accredited under the programme. The total EBRD commitment ceiling is EUR 800 million.

The EBRD also supports investments in cross-border transport infrastructure (including roads, railways, airlines, logistics companies and associated equipment), as well as in regional power pools. Over the period 1991-present, EBRD supported 143 transactions in cross-border transport and storage for EUR 4.7 billion, and EUR 715 million for regional power projects.

Finally, the EBRD contributes to policy dialogue and provides technical assistance, where appropriate, on issues that have a direct bearing on international trade. The Bank has not, so far, recorded these activities systematically under the “aid for trade” heading. Recent examples include EBRD participation in the Central Asia Regional Economic Cooperation (CAREC, involving Azerbaijan, Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan and Uzbekistan where are EBRD’s member countries, in addition to Afghanistan and China), advisory work on establishing a regional financial centre in Kazakhstan, policy dialogue on agricultural export restrictions in Ukraine, and the establishment of a regional power pool in South-Eastern Europe.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

The Hong Kong Ministerial Declaration, which in its emphasis on the broader conditions for cross-border integration is consistent with the EBRD’s understanding of priorities for the transition region, gave further impetus to the EBRD’s work to support regional integration.

3. How does this strategy address regional aid-for-trade challenges?

Trade in the transition region continues to be burdened by perceived risks in trade finance, which relate partly to the short track record of local banks. EBRD’s Trade Finance Programme addresses this issue by working with selected banks at both ends of transactions and reducing the risk of trade

finance instruments. In infrastructure, the key challenge in the region remains that the capital stock needs to adjust to the demands of modern market economies, including in terms of the quality, direction and interconnection of transport networks.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

- 4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?**

EBRD does not, so far, have its own definition of aid-for-trade. An “EBRD specific” concept might relate to the lowering of transaction costs and risks for commercial transactions across borders.

METHODOLOGY

- 5. How do you allocate the aid-for-trade share in individual projects and programmes?**

We propose to include only projects that can be fully allocated to aid-for-trade, such as the TFP and cross-border infrastructure.

COMMITMENTS

- 6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?**

Trade Finance Programme

2002-2005: EUR 1.89 billion; 2005: EUR 549 million

Cross-Border Transport and Storage

2002-2005: EUR 1.97 billion; 2005: EUR 650 million

Regional Energy Supply and Generation

2002-2005: EUR 445 million; 2005: EUR 291 million

Business Support Services and Institutions

[tbd – we are not currently able to make that determination]

PLEDGES

- 7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.**

EBRD has not made any specific pledges on aid-for-trade.

- 8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?**

EBRD does not currently have a “plan” for aid-for-trade, but it has business projections. Demand for the TFP is market-driven and may increase or decline depending on market circumstances. Nevertheless, we would expect the level of commitments under this programme to remain broadly unchanged as new bank partners join while others “graduate”. Investment in cross-border infrastructure is projected to continue rising in the coming years.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

EBRD aid-for-trade activities are driven by market demand on a project by project basis. Beyond financial projections, these activities are not “programmed”. Country strategies, which are updated each year, spell out priorities and indicative project pipelines, and are fully coordinated between the resident offices and headquarters.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

N/A (see answers above).

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

The EBRD works at the project level, not at the level of national development strategies. 95% of project counterparts in 2007 have been in the private sector. Nevertheless, EBRD support for cross-border transport and certain other infrastructure is the result of an ongoing dialogue with and request from the authorities, and tends to be closely coordinated with other IFIs.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

EBRD is not generally involved in policy dialogue on aid-for-trade.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries’ policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

N/A

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Several of EBRD's investment projects and policy work are implemented jointly with other IFIs and donors. This is almost invariably true for large cross-border road projects (but less on projects with airports, ports and the power sector). Coordination on projects is driven by financing needs in each individual case.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

As a project finance institution, EBRD does not provide funding for regional and multilateral "programmes".

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

See answers to earlier questions. The EBRD does not have an aid-for-trade "strategy" per se.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

N/A

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

In the absence of a specific aid-for-trade strategy, monitoring and evaluation are conducted in accordance with the EBRD's general procedures. The project context dictates the need for and the form of coordination with other financiers and stakeholders.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

N/A

EC

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Trade is a longstanding development priority for the European Community. Drawing on its own experiences and exclusive competence in trade, the Community has a comparative advantage in providing support to partner countries to integrate trade into national development strategies and to support regional cooperation whenever possible.

The present policy is expressed in the 2005 European Consensus on Development: The Community aims to assist developing countries on trade and regional integration through fostering, equitable and environmentally sustainable growth, smooth and gradual integration into the world economy, and linking trade and poverty reduction or equivalent strategies. Priorities in this area are institutional and capacity building to design and effectively implement sound trade and integration policies, as well as support for the private sector to take advantage of new trading opportunities. The specific operations will depend heavily on the characteristics of the partner countries. The poorest countries, especially LDCs and small, landlocked and insular countries require special emphasis on the supply side and increasing the competitiveness of the private sector. The Community strategy furthermore involves a strong emphasis on support to regional integration. Overall, the same principles apply for trade related assistance/aid for trade as for other development cooperation: i.e. an overarching emphasis on poverty reduction objectives and implementation in line with the Paris principles for Aid effectiveness.

The European Commission had already in 2002 laid down its views and approaches to trade and development in a special Communication addressing this issue, COM (2002) 513. This document spelled out the way that the EU would fulfil its global commitments in support of the efforts of developing countries to better reap the benefits of trade and investment. The Trade and Development Communication identified the following main priority areas: assistance for WTO accession and multilateral trade negotiations; support for the implementation of existing and future WTO agreements; and support for policy reforms and investments necessary to enhance economic efficiency and to ensure greater participation in the world economy.

In 2004, the EU furthermore endorsed an EU Action Plan on Agricultural Commodities, Dependence on Poverty which lays down a specific strategy for supporting commodity dependent countries and producers.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

Following the adoption of the WTO Aid for Trade Task Force recommendations in the summer 2006, the Commission and the EU Member States have engaged together in a comprehensive exercise to develop a joint EU strategy on Aid for Trade. This strategy will be adopted in mid-October 2007 and

will address both quantitative and qualitative issues. It will indicate short-term as well as medium-term priority actions, based on four core components:

- increasing the collective volumes of EU AfT;
- enhancing the pro-poor focus and quality of EU AfT;
- supporting effective AfT monitoring and reporting
- increasing EU-wide and Member States' donors capacity in line with globally agreed aid effectiveness principles

The EU Council of May 2007 specified that this included:

- bringing the contribution to Trade Related Assistance of the EU as a whole, to € 2 billion per year by 2010 (€1 bn for the Commission and €1 bn for the Member States);
- promoting an effective response to the wider AfT agenda, by continuing and strengthening EU support for demand-driven, pro-poor development strategies which incorporate building productive capacities, trade-related infrastructure and trade-related adjustment, and by encouraging enhanced participation of other international donors and the private sector;
- encouraging partner countries to increase their parallel efforts to include TRA and also the wider AfT agenda in their poverty reduction and national development strategies, implementation plans and national budgets
- enhancing the Integrated Framework (IF), and agreeing that international efforts aimed at creating a similar in-country process for these countries, especially IDA-only countries, have to be further intensified
- stressing the importance that the EU attaches to the impacts of AfT on sustainable poverty reduction, recognizing in particular that further economic empowerment of women and increasing the share of women in wage employment deserves utmost attention as an essential cross-sectoral dimension of AfT;
- promoting all sustainability dimensions of AfT, such as its environmental and social impacts, including by supporting sustainable methods of production and voluntary standard initiatives, such as fair trade and other comparable schemes, the ILO standards, and its coherence with other development policy agendas, such as decent work;
- emphasising the role of local ownership and broad stakeholder participation for effectiveness of aid, with a special attention to the role that the private sector, public private partnerships (PPP) and civil society can play to incorporate AfT in national development strategies;
- strengthening the relevant instruments implementing the Paris Declaration by operationalising EU commitments to greater complementarity and cooperation between donors, across all stages of the programme cycle and for all types of instruments;
- applying aid effectiveness principles at the global, regional and national level, in particular by supporting regional partners' capacity to own and lead AfT, and by coordinating, programming and pursuing more streamlined delivery modes and enhancing cooperation with other international donors, international and regional financial institutions as well as multilateral organisations;

- identifying modalities for coordination and response at various geographical levels covering all developing countries, based on AfT needs as prioritised by the demands of partner countries;
- supporting regional integration by channelling EU aid in a coherent manner through initiatives such as the Infrastructure Partnership for Africa.
- based on OECD data, improving the quality and further development of monitoring and reporting at the global, donor and partner level, by actively participating in the relevant international fora;
- monitoring and reporting at EU level
- adjusting and strengthening human resources as necessary to implement the Joint EU AfT Strategy;
- exploring joint EU initiatives to develop and share expertise amongst the EU and with other international donors.

3. How does this strategy address regional aid-for-trade challenges?

Support for regional integration is a distinctive feature of EC development cooperation, and the regional level is very important for the delivery of EC Aid for Trade, in particular for regions deeply engaged in regional integration efforts. The European Consensus for Development, the Cotonou Agreement and the EC Development Cooperation Instrument all give priority to regional integration.

For example, the national economies and markets of the ACP countries suffer from their small size and fragmentation. Regional integration involves constructing larger regional markets able to attract private investments in other sectors than natural resources only. In the ACP context, the Commission seeks to support common markets – customs unions and free circulation of goods - as well as harmonised rules in the area of services, investments etc. The Commission also believes that regional integration supports political stability which in turn brings economic benefits in terms of stable investment climate and reduction of economic risks. For the ACP, at least a quarter of TRA have therefore been for regional integration, specifically, and many TRA programmes are carried out at all-ACP level.

Programming and delivery at regional level are not different in nature from that at national level. The same aid effectiveness principles should be applied. The Commission seeks to promote greater aid effectiveness at regional level in the ongoing work to develop an EU Strategy, including: supporting regional partners' capacity to own and lead Aid for Trade efforts; coordinating programming in support of regional and trade integration; pursuing more streamlined methods of delivery; and enhancing cooperation with other donors.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

In the years 2001-2006 the Commission applied the guidance provided by the Joint WTO/OECD Trade Capacity Building Database. Trade-related programmes and projects have been grouped under the two basic headings of (1) support for trade policy and regulatory issues, and (2) support for trade

development. This has been at times difficult as activities that encourage trade are often a component of an overall sector programme, such as private sector development or rural development, or a component of a larger regional programme aiming at supporting region-wide integration, for example in Western or Southern Africa. Many such programmes serve related purposes in addition to and located upfront of the direct purpose of building trade capacity. These activities aim to impact on the supply capacities of producers within the countries and are therefore very much relevant from a trade development perspective.

After the adoption of the WTO Aid for Trade Task Force Recommendations, the EC applies the definition of Aid for Trade as laid down there, recognising however that detailed reporting guidance on these new categories is still being developed. For the years as from 2007, the EC will define Aid for Trade in accordance with the harmonized CRS reporting modalities to be agreed hopefully before end of 2007 within the framework of the work undertaken by WTO/OECD earlier in 2007.

METHODOLOGY

5. *How do you allocate the aid-for-trade share in individual projects and programmes?*

Individual projects and programmes that are considered to be trade-related activities, or to include components with trade-related activities (see above), qualify for reporting to the Joint WTO/OECD Trade Capacity Building Database. However, even with the WTO/OECD reporting, the resulting classification by sectors according to specific codes suffers from considerable problems due to: (i) the existing margins for potentially subjective elements which may influence the assigning of the codes and, (ii) the constraint of only being able to assign one code even for projects with multiple components. The effects of this may vary between donors depending on the nature of the programmes financed by them. Over the past years, the EC always made the necessary quality check to ensure that only projects with a significant part of the project amount allocated to TRA is notified as such. The EC will continue to proceed in that way for the future in accordance with the definitions to be agreed for the reporting of the new Aid for trade categories. (See also 4 above)

COMMITMENTS

6. *According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?*

The proportionate allocations of commitments between the two categories of trade policy/regulation (TPR) and trade development (TD) are:

2001 – €271 million TPR vs. €555 million TD,

2002 – €259 million vs. €429 million,

2003 – €359 million vs. €526 million,

2004 – €236 million vs. €713 million,

2005 – €361 million vs. €627 million,

2006 – €371 million vs. €570 million.

In relative terms, the percentage splits are 33/67, 38/62, 40/60, 25/75, 37/63, and 39/61, respectively.

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

The European Commission announced in the summer 2005 that it would increase its Trade Related Assistance to €1 billion annually by 2010. This commitment was tabled at the Hong Kong WTO Ministerial, and relate to the two categories of TRA as defined for the reporting to the Doha data base.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Apart from the AfT strategy to be adopted in the coming weeks the EC does not have sector specific financial plans for Aid for Trade, but generally operates on the basis of multi-annual national and regional Programming documents, which in turn are based on priorities expressed by partner countries. In these, Trade, Regional integration, Infrastructure and Agriculture etc can occur as specific sectors, or, alternatively, trade related issues can be embedded in other focal sectors – trade facilitation in transport, SPS measures in rural development etc.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

General Programming guidelines are issued for the multi-annual planning on a national and regional basis. These are complemented by specific guidelines on how to ensure the integration of particular sectoral concerns that are crucial to EC development policies, such as linking trade with development, regional integration and co-operation, or support for institutional capacity building. On that basis and following in-country consultations concerning the country's needs with the country's government, other donors and major stakeholders, the aforementioned country and regional programming documents are agreed with the countries and the regions.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

In-house expertise on Aid for Trade has been strengthened in Headquarters and in Delegations over the past years, both through increase in numbers of responsible staff, by reinforcing training for these staff members, and by ensuring linkages between staff with related responsibilities. Competent staff is divided among several Directorate-Generals (DGs) of either geographical or thematic attribution and Delegations. In all concerned DGs, specific trade and development units are in place. A policy unit is in charge of economic development, infrastructure networks, regional integration and trade and as such pulls together several of the key elements of the Aid for Trade agenda. In addition, geographical units have specific staff working in particular on regional integration matters. A specific operational unit oversees the design and implementation of programmes in the field of trade related assistance. This includes ensuring coherence between trade policy and technical assistance projects, and involves liaising with other DGs responsible for related issues and EC Delegations on the spot. The DG in charge of Trade policy also recently created a "Trade and Development" Unit to do the follow-up, among others, of the WTO and EU Aid for Trade agendas. Presently total specialized staff in HQ numbers around 25, not counting the substantial number of staff dealing with infrastructure and productive sectors. HQ staff

collaborates with competent colleagues in a substantial and increasing number of Commission external representation's network of around 100 delegations.

Furthermore, the Commission has developed and organises on a regular basis presential and on-line training modules for all concerned staff in Delegations and Head offices ranging from general courses introducing the main features of aid for trade to specific courses on particular technical subjects, such as SPS or TBT.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

EC strategies for countries receiving external assistance need to be fully coherent responding to the country's or region's situation (the agenda, policies and needs) and the EU's policies in general as well as with the interventions of other donors. If in a particular country, national development plans take little or no notice of the link of trade and development or disregard the potential positive effects of integrating with the world economy on poverty reduction, the EC will use its regular policy dialogue with the Government and its coordination with other donors to support the integration of these aspects into national plans. In addition, the EC may use its regular contacts with Non-State Actors to encourage national stakeholders to engage in the articulation of these issues at national level, so to raise awareness. The EC may support the Governments in the conduct of trade needs assessments in conjunction with other donors involved in TRA in the country/region in question to identify priorities for assistance. Where possible the coordination of such studies is conducted through Government led fora for cooperation in the fields of trade and economic development. The outcomes of these needs assessments are incorporated into EC programming documents.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

The EC addresses aid for trade in its regular high-level policy dialogue with partner countries, and thereby stimulates discussion among key government and other local stakeholders. These efforts are accompanied on a local level through coordination groups on trade and economic cooperation including sometimes specific working groups on particular topics, such as SPS, TBT or IPR, in which the EC with its substantial portfolio of economic cooperation and wide presence in developing countries plays an active role. EU MS are invited to participate in all the various fora mentioned hitherto so as to ensure coherence and improved coordination between EC and MS activities. In the case of LDCs, the EC is already facilitator for the Integrated Framework (IF) in seven countries and in recent months has been approached and has accepted to take up this role in a number of additional countries.

In addition an active communication policy in each country supports the dissemination of information on aid for trade and EC's support for this through trade and development policies and cooperation. In its contact with Non-State Actors, the EC will raise awareness and motivate debates so as to put the matter on the national agenda. The EC also uses its possibilities to provide financing, either of specific conferences or to strengthen civil society networks that may reflect and disseminate issues arising in the EC-NSA dialogue.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Since EC co-operation strategies need to be fully coherent responding to the country's needs, policies and priorities, the EC strives to ensure its co-operation is based on national plans and procedures. However, it needs to be demonstrated on a case-by-case basis that the partners' national public finance systems are effective, transparent and reliable before local procedures can be used for provision of co-operation funding, including for Aid for Trade.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

National and regional programming documents (CSPs/NIPs, RSPs/RIPS) are discussed with EU MS and other donors - bilateral as well as multilateral - at the local level. As mentioned above where trade analyses are not already in existence for a country the EC has been funding the conduct of these exercises in conjunction with other donors active in the field of TRA. EC Delegations have in many countries taken the lead in the promotion of the Paris Declaration Commitments and are striving to ensure joint implementation where this is feasible and practical. The EC sees the Enhanced Integrated Framework for Trade Related Assistance to LDCs as an important tool for greater donor coordination and effectiveness in Aid for Trade, and acts or has acted as donor facilitator in more than 10 countries.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

In the upcoming programming cycle, regional programmes will receive an ever more substantial allocation. For example an increase of 70 % of the regional envelopes as compared to the present programming cycle is envisaged for the ACP regions. These funds are primarily allocated to foster regional integration and include strong elements of trade policy and regulation, trade development and infrastructure development.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

Regarding the overall Aid for Trade Strategy, the EC committed to increase its provision of TRA to 1bn € annually by 2010. A number of specific objectives and targets are being set in the framework of the future EU Aid for Trade strategy, currently under preparation with EU Member States.

At the individual project or programme level, objectives and timeframes are defined on an individual basis taking account of the particular programming and commitment schedule for individual countries / regions, designed so as to ensure smooth follow-up of ongoing activities. Success is measured through the conduct of project evaluations which analyse the achievement of results and objectives on the basis of the evaluation criteria, i.e. relevance, efficiency, effectiveness, impact and sustainability of project outcomes.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

The EC distinguishes between project, programme and strategy evaluations. The main purposes are to contribute to the design of interventions, to assist in an efficient allocation of resources, to improve the quality of the intervention and to report on the achievements. The methodology departs from an analysis of the project rationale and intervention logic at its outset and uses the categories of efficiency, effectiveness, relevance and coherence, impact and sustainability as well as the EC value added to measure and conclude on the success, recommend adaptations and draw lessons for the future.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

In principle, the EC endorses joint evaluations with other donors, in particular to reduce the number of missions undertaken and the burden represented by the evaluation process for developing countries and Government or project staff. It is particularly useful to engage joint evaluations in the context of new delivery mechanisms such as budget support, sector assistance and programme approaches, which are most suitable for cooperation between development agencies. It can thus be expected to see the number of joint evaluations increase further over time as deployment of these new mechanisms continues to increase and Paris Declaration Commitments are realised. The EC has already made significant strides in this direction in the case of IF implementation in a number of LDCs.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

EC project and programme evaluations are inclusive and participatory exercises in order to increase ownership of local stakeholders and increase the likelihood of implementation of findings or recommendations. On the policy level, it is expected to monitor implementation and success of the Aid for Trade strategy on an EU level (Commission and Member States) with close linkages to the WTO global Aid for Trade reviews. The Commission is participating very actively in all OECD/WTO Special Sessions on Aid for Trade, the three WTO Regional Reviews taking place in September-October 2007, as well as at the coming WTO General Council Review on Aid for Trade organised in Geneva in November 2007.

ESCAP

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

To assist ESCAP developing members to more effectively negotiate, conclude and implement multilateral, regional and bilateral trade agreements (including accession to WTO) and benefit from such agreements. A key component of this work is the WTO/ESCAP Technical Assistance Programme (market access focus; trade policy and regulations), which was started in 1999 and has continue to expand and accelerates, in accordance to the needs of members and associate members of ESCAP.

To assist ESCAP developing members in utilizing increased market access through the development of their capacity to trade with focus on improving business and investment climates, and assistance to small and medium sized enterprises and trade facilitation.(supply-side capacity building focus; building productive capacity, effective participation in global and regional value chains).

Funding for these two programmes is provided by the regular budget, and increasing by extra-budgetary resources. While national level assistance is provided, the focus is the regional level. Good examples of regional cooperation in trade are the Asia Research and Training Network on Trade (ARTNeT), organization of regional multi-stakeholder dialogues on WTO and multilateral trade issues, deepening and strengthening the Asia-Pacific Trade Agreement (APTA) and fostering regional dialogues with traders and investors through the Asia-Pacific Business Forum (APBF).

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

The strategy has been more or less the same since the December 2005 WTO Ministerial Conference though funding modalities have changed somewhat. Some additional funding has emerged, for example, under the Macao Knowledge Hub programme, Macao (China) and the United Nations development account for trade facilitation activities, while more work has focused on the development of the Asia-Pacific Trade and Investment Database (APTIAD) and the development of performance indicators for BTA/RTAs and common frameworks which could help achieve a consolidation of BTA/RTAs in the region. Overall, the region's trading environment has become increasingly complex and unpredictable due to a rapid shift towards bilateralism. The needs of our members for advice, information and technical assistance have increased exponentially, but a lack of adequate funding, has left many of these needs unmet.

3. How does this strategy address regional aid-for-trade challenges?

A further challenge is the need for landlocked and least developed countries to more effectively integrate into the regional and global economy so as to benefit from globalization and regional dynamism. In this regard, as most of the world's countries not yet a member of WTO are located in the ESCAP region, considerable efforts are made towards helping these countries become a member

of WTO and, after accession, to implement their WTO commitments. Focus of this kind of assistance is on the LDCs and landlocked countries, in particular landlocked LDCs and those in Central Asia under the Special Programme for the Economies of Central Asia (SPECA).

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. *How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?*

ESCAP does not apply an exact definition of aid-for-trade although concerted efforts are currently being made among concerned UN agencies towards defining the concept in preparation of UNCTAD XII. However, the two principal focus areas outlined under point 1 above go a long way in determining what is meant by AfT in the ESCAP context.

METHODOLOGY

5. *How do you allocate the aid-for-trade share in individual projects and programmes?*

Aid-for-Trade in ESCAP as described under point 1 above is provided by the Trade and Investment Division. Its regular budget and extra-budgetary resources mobilized for specific projects constitute the total funds available for AfT for any biennium. Specific outputs under trade and investment are specified in the Two-year Work Plan of the secretariat under subprogramme 4: trade and investment. Sometimes cross-cutting projects are implemented which constitute a trade share. Over the past biennium, two projects stand out in the areas of trade and transport facilitation, and trade and environment.

COMMITMENTS

6. *According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?²*

SECTION:	XB						RB			
	2002	2003	2004	2005	2006	2007	2002-2003	2004-2005	2006-2007	2008-2009
Trade policy and regulations	791,802	210,069	269,002	584,836	731,918	526,547				
Supply side (trade facilitation, investment and enterprise development)	1,569,384	155,985	97,303	233,244	198,127	1,500,000				
TOTAL	2,361,186	366,054	366,305	818,080	930,045	2,026,547	204,700	153,300	188,500	162,600

PLEDGES

7. *Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.*

As ESCAP is not a funding agency, it does not make pledges. However, budget indications are provided in the two-year Work Programme. See table under point 6 above.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

Medium-term financial plan for AfT: Work Programme 2008-2009: Subprogramme on trade and investment: US\$162,600 under RB. No XB figures are available. No RB breakdown by purpose is available.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

The ESCAP Trade and Investment subprogramme is an integral part of the programme on managing globalization. Coordination of trade and investment with other components of the programme (i.e. environment, ICT and transport) takes place at both the planning and implementation stage, in particular within the context of identifying and providing advice on cross-cutting issues that are considered by members and associate members of ESCAP during the annual sessions of the Committee on Managing Globalization.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

In-house AfT expertise is continuously growing. ESCAP staff often participate in the formulation and implementation of substantive activities, provide advisory services and prepare studies and papers on substantive issues. These issues evolve with the evolving scenario of the multilateral and regional trade agenda. Since 2006, more attention has been paid to the development of TRIPS-related expertise.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

As ESCAP is a regional agency, it does not formulate national level country assistance plans though sometimes it implements national level activities which can be part of the UNDAF. Most country-specific work focuses on accession to WTO and the work of the regional trade and investment policy adviser who provides advisory services at the request of individual developing countries on specific topics. Ownership by member countries is, to a large extent, exercised through the intergovernmental fora of ESCAP. The Commission which meets annually is the highest decision making authority while subsidiary committees, notably the Committee on Managing Globalization undertakes a thorough review of the RB work programme and supporting XB projects.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

The promotion of policy dialogues at national and regional level on AfT has not been actively undertaken by ESCAP. However, it is expected that upon finalization of the UN consolidated and coordinated AfT concept paper, ESCAP would be in a prime position to organize such dialogues at the

regional level within the scope of its regular multi-stakeholder policy dialogues. As such, ESCAP could also assume the role of regional coordinator of UN AfT activities.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

ESCAP TRTA activities respond to its member countries' requests for assistance but are not directly based on the latter's' policy planning and budgeting framework. In other words, in defining the ESCAP Subprogramme on trade and investment no reference is made to national level planning and budgeting frameworks, in particular as the latter frameworks are national while ESCAP is a regional level agency.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Coordination of AfT is considered very seriously and ESCAP routinely takes action in this regard. Principal agencies with which coordination is pursued include UNCTAD, ITC and WTO, and, at the regional level, ADB. However, due to different financial rules and regulations or reporting and programming requirements, coordination is sometimes very difficult. At the national level, coordination with UNDP, usually within the context of the UNDAF, is pursued though usually trade and investment do not figure prominently in UNDP national level assistance.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

The RB amount of AfT for 2008-2009 will decrease by 13.7 % from 2006-2007. However, most of the AfT comes from XB funds which are not yet known for 2008-2009.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

The ESCAP AfT strategy and programme consists of individual projects. Each project has its own time frame. At the programme level, a time frame of a biennium is employed. The objectives of the programme are embodied in the programme's expected accomplishments Success is measured half-yearly as part of a monitoring exercise while a full evaluation takes place upon the termination of the biennium period through the preparation of an accomplishment account. Indicators of achievement are developed for each expected accomplishment and those indicators will be measured when evaluation takes place.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

Upon completion of individual project activities, evaluation questionnaires are routinely distributed among participants. The questionnaires also seek to assess sustainability issues by asking respondents to what extent they will use the learned material in their future work. At the project level, the logical framework provides indicators of achievement for every level in the framework from outputs to project goal. At the programme level, the accomplishment accounts will measure the indicators of achievement for the expected accomplishments against a benchmark.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Currently, no joint monitoring and evaluation of AfT projects and programmes with other donors and stakeholders or countries takes place unless the project is a multi-agency affair.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Since currently each agency implements its own AfT/TRTA strategy, no routine review of progress with partner countries, other regional organizations and other donors and stakeholders takes place unless such organizations are partner agencies in the implementation of individual projects and where for larger projects, an independent evaluation is carried out requesting feedback from participating countries and participants in individual project activities.

FAO

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

FAO does not currently have a strategy which pertains explicitly to aid-for-trade – this is being discussed. A considerable share of FAO’s work programmes, notably the field programme, address supply-side constraints. From FAO’s viewpoint, for an initiative like aid-for-trade to be effective, it is desirable to focus resources first on the most binding constraints to productivity and competitiveness. Based on specialized knowledge and experience of the agricultural sector, and the comparative advantage of the Organization, FAO considers the following five areas as requiring priority attention under the aid-for-trade initiative for the agricultural sector:

- 1) Transfer and utilization of agricultural technology.
- 2) Developing rural infrastructures.
- 3) Water management.
- 4) Technical standards of products (notably related to sanitary and phytosanitary measures).
- 5) Trade negotiations and trade policy analysis, including regional trade.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

There has been no particular change in FAO’s activities related to the five priority areas mentioned above since the December 2005 WTO Ministerial Conference.

3. How does this strategy address regional aid-for-trade challenges?

The above-noted priority areas address issues at the regional levels also. Examples include trans-boundary diseases, foot-and-mouth disease that often impacts on a larger region, bilateral and regional trade agreements and implementation. FAO implements the Regional Special Programme for Food Security, which also addresses trade issues at the regional level. FAO has regional and sub-regional offices which facilitate the delivery of such programmes.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

Other than the points noted above which broadly define the aid-for-trade related work, there is no other explicit definition – in-house discussion and analysis is progressing towards further delineation

of aid-for-trade in agriculture. As said above, for many developing countries, notably the least developed countries (LDCs) among them, strengthening supply-side capacity remains the binding constraint for production and trade, and thus the definition of aid-for-trade should cover supply-side related programmes.

METHODOLOGY

5. *How do you allocate the aid-for-trade share in individual projects and programmes?*

There is no specific delineation of activities into aid-for-trade and non aid-for-trade. The share of aid-for-trade in individual projects and programmes depends on the nature of the project and the problems it is addressing. Thus, some may have a greater share of trade while others may have less.

COMMITMENTS

6. *According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?*

In the absence of an aid-for-trade definition, it is difficult to assess commitments based on this. However, as reported to the WTO/OECD Trade Capacity Building Database (TCBDB) and as reflected in OECD's Creditor Reporting System, FAO's average trade-related commitments for the period 2002-2005 amounted to over US\$15 million. Of this, a share of roughly US\$4.6 million was in the trade policy and regulations category and the remainder was in the trade development category. Similarly, in the year 2005, over US\$7 million were allocated to trade-related activities with a larger part (US\$4.9 million) falling under the trade development category. It is worth noting, however, that this particular reporting excludes many FAO projects and programmes that address supply-side strengthening under the five areas noted above, especially field programmes which can have a substantially high financial component.

PLEDGES

7. *Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.*

FAO is not a financing agency, and thus does not make such pledges on an *ex ante* basis. On an *ex post* basis, the outlays were as reported above.

8. *What is your medium-term (beyond 3 years) financial plan for aid-for-trade?*

There is no specific financial plan for aid-for-trade in the medium term. FAO will continue to undertake activities broadly related to supply-side strengthening, as in the recent past.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. *How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?*

The FAO Strategic Framework, which is intended to guide the work of the Organization until the year 2015, outlines strategies that aim at *inter alia* increasing supply-side capacities and promoting,

developing and reinforcing policy and regulatory frameworks, including trade-related, for agriculture, fisheries and forestry. In addition, FAO's governing bodies have from time to time in recent years urged the Organization to step up its efforts on trade.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Over the past few years – in response to the high priority that Members have accorded to trade issues as well as due to the Doha Round negotiations – FAO has expanded its trade-related activities, mobilizing extra resources and building in-house expertise.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

It is true that many developing countries lack national development strategies with integrated or mainstreamed trade. Trade mainstreaming is indeed one key objective of recent projects, programmes and policy advice of the Organization.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

Aid-for-trade is a very recent initiative. Efforts are under way to develop approaches and modalities for their formulation and implementation. However, FAO projects and programmes on trade do often address supportive measures, notably related to supply-side and competitiveness, and thus this issue does get addressed in FAO projects and programmes on trade.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Where such a framework exists, the partner countries' policy planning and budgeting framework is used as a basis for providing trade-related assistance by FAO.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

FAO has representations in many, if not all, developing countries as well as at the sub-regional and regional levels. At these levels, especially in countries, mechanisms exist that facilitate the participation of various donors on trade-related activities of FAO and other donors.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Given the increasing significance of trade and globalization, FAO anticipates that both donor participation and requests for assistance in this area from Members will expand.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

The objectives and timeframes of FAO's trade-related assistance are usually based on the needs of the beneficiaries. These are set through consultations with Members. Mechanisms for monitoring and assessing outcomes of the Organization's activities are in place and are utilized as necessary.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

There are in-house standard evaluation techniques designed to evaluate projects and programmes based on the type and nature of projects and programmes.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

This depends on the nature and objectives of the particular activity. Where formulation and implementation is carried out with other donors, such cooperation also exists for monitoring and evaluation. Increasingly, evaluations also require intensive consultations with all national stakeholders.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

There is no reason why this cannot be done; as said above, it depends mainly on the nature of the trade-related activity or project.

INTER-AMERICAN DEVELOPMENT BANK

HOW DO YOU SUPPORT AID-FOR-TRADE?

1. Do you provide support for the aid-for-trade initiative?

The Inter-American Development Bank (IDB) is the main source of multilateral development finance in Latin America and the Caribbean (LAC)¹. Concomitant with emerging demands in its borrowing member countries, the IDB has in recent years devoted a growing share of its financing to trade-related assistance, echoing a broader trend in aid flows across the world. Trade-related assistance, or Aid for Trade (AFT), encompasses both traditional trade-related capacity building and broader forms of assistance aimed at enhancing a country's capacity to trade. Since its creation more than forty years ago, the Bank has actively supported the development of trade-related infrastructure and supply-side capacities in its LAC member countries. Over the last decade, moreover, the Bank has built a solid track record in trade-related capacity building in LAC, developing both country-focused and region-wide approaches to the provision of such assistance. The IDB approach to aid for trade is framed by the Regional Integration strategy, which is one pillar of the institutional strategy of the Bank.

The main financial instruments to serve clients in trade-related matters are: a) the Trade Sector Facility that provides fast track approval for ordinary or concessional loans to strengthen the capacity of trade ministries and other trade-related institutions to formulate, negotiate and implement trade policy. Ten of the Bank's borrowing member countries have so far accessed the facility; b) the Facilitation of International Trade and Investment project cluster of the Multilateral Investment Fund, the aim of which is to foster greater participation of smaller enterprises in international trade and investment. Projects in this cluster support trade facilitation activities related to customs reform, technical standards and certification, as well as strengthening the private sector's participation in the formulation of trade policy. Many projects are regional, rather than national in scope; c) the Lending Program for Trade, Integration and Competitiveness, which allows a country to combine components of the Bank's policy-based, investment and technical assistance lending into a single loan operation to address the broader range of sectoral adjustments that it must make in the transition to freer trade; and d) the International Trade Finance Reactivation Program aimed at supporting the availability of trade finance.

1. The IDB has 47 member countries: **Borrowing member countries** are: Argentina, The Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad & Tobago, Uruguay, and Venezuela. **Non-borrowing member countries** include: Austria, Belgium, Canada, Croatia, Denmark, Finland, France, Germany, Israel, Italy, Japan, Korea, Netherlands, Norway, Portugal, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States.

2. How has this support evolved since the December 2005 WTO Ministerial Conference?

The IDB has been fully supportive of the Aid for Trade initiative since the creation of the WTO Aid for Trade Task Force in February 2006. Upon the request of WTO Director General and of the Chairman of the WTO Task Force the IDB produced in May 2006 the document entitled "Aid For Trade: The Inter-American Development Bank's Experience In Latin America And The Caribbean", which served as an input to the Task Force Recommendations to the WTO General Council in July 2006.

In partnership with the WTO, the OECD and other regional organizations the IDB actively promoted the Aid for Trade initiative in the region and emerged as the leading institution in the implementation phase. In June 2006, the President of the IDB, Mr. Luis Alberto Moreno, attended the meeting of the heads of Regional Development Banks in Montreal (Canada) in which they emphasized their institutional commitment to the AFT initiative and stressed their endeavor to strengthen inter-institutional coordination to effectively deliver Aid for Trade, in the spirit of the Paris Declaration on Aid Effectiveness. In September 2006, President Moreno convened at IDB Headquarters in Washington D.C (USA) a meeting of the heads of the IMF, the World Bank and the World Trade Organization. In this meeting, held in the context of the hemispheric session of the vice-ministerial Regional Policy Dialogue on Trade and Integration, participants reiterate political and institutional support to the AFT initiative and analyzed ways to move forward into the implementation phase.

Finally, in September 2007, the IDB, the WTO and the government of Peru organized the Regional Meeting on Aid for Trade in Lima (Peru), which brought together for the first time, finance and trade ministers, senior donor representatives, regional institutions and key private-sector actors to focus on trade-related challenges in the region, and to set out priorities for future action. The purpose was to highlight the LAC dimension of AFT and to encourage governments, donors and the private sector to address specific challenges, to prioritize needs, and to move towards shared solutions. For that meeting the IDB prepared a background report titled "Mobilizing Aid for Trade in Latin America and the Caribbean" and provided technical assistance to governments which prepared cases studies on national, regional and private sector approaches to aid for trade. The proceedings of the Regional Meeting will be presented at the WTO Global Aid for Trade Review in Geneva on November 2007.

3. How does this support address regional aid-for-trade challenges?

The IDB programs the provision of lending operations, technical assistance and non-financial products with national and sub-regional strategies. The IDB has a long standing tradition in programming activities at the regional level, with particular emphasis on trade-related issues. In the context of the institutional realignment the IDB is committed to increase the effectiveness of its regional strategies. Regional strategies are based on diagnosis of common regional development problems and guide the identification, origination, design and development of regional programs and activities, which are then implemented mainly through grants and direct non-financial support. Regional lending operation are very limited owing to the difficulties in securing appropriate guarantees for multi-country loans. The Bank has therefore been a pioneer in developing a grant facility aiming at promoting the provision of regional public goods.

A important share of IDB trade-related technical assistance programs are regional in nature. The Regional Technical Cooperation (RTC) Program has traditionally been the main instrument to deliver grant resources on a regional basis. In 2004, the Regional Public Goods initiative was launched aiming to support the development of goods, services, rules systems or policy regimes that generate shared benefits for the participating countries as a result of cooperation and collective action by those countries. The IDB provides non-reimbursable resources of up to US\$10 million a year to finance demand-driven projects that develop regional public goods in the region. In addition the Bank has

supported a number of regional initiatives such as the Initiative for the Integration of Regional Infrastructure in South America (IIRSA). Launched in 2000, IIRSA supports the development and integration of energy, transport and telecommunications infrastructure across 12 South American countries to facilitate trade integration both intra-regionally and with the rest of the world. Likewise the Puebla-Panama Plan (PPP), launched in 2001, seeks to improve the trade, growth, and economic development potential of southern Mexico and Central America. The PPP focuses on a number of areas, including trade facilitation, infrastructure development (roads, energy, telecommunications), and tourism services.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

The IDB does not have an official definition of aid for trade. Since the foundation of the Bank, traditional lending, technical assistance and non-financial instruments were used to support the very elements of what is today perceived as the broader Aid for Trade agenda, including trade-capacity building, infrastructure development (transport, energy and communications) and strengthening of countries' productive capacities. The Bank also has a track record in providing adjustment-related lending, some of which has been directly related to trade. The Bank has constantly strived to adapt its products and operations to the needs of its clients. Given the prominence of the trade-related agenda for LAC, in the 1990s it began to build institutional capacity and deepen its operational support in the area of trade-related capacity building. The Bank also began to explore ways of better linking the various components of trade-related assistance (capacity building, supply-side development and adjustment), and to design new grant and lending instruments to this effect.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

The identification and measurement of aid for trade is conducted on a case-by-case basis with the objective of providing information to the OECD/DAC Trade Related Capacity Building Database. In the case of larger multi-sectoral lending and technical assistance projects, only the specific components directly related to trade are considered and reported as aid for trade. The IDB definition also includes ordinary administrative budget resources dedicated to finance the production of trade-related non-financial products, such as direct technical assistance, research, publications and outreach activities.

COMMITMENTS

6. According to your aid-for-trade definition, what were your programmes by category for the period 2002-2005 and in particular for 2005?

According to the OECD/DAC Trade Related Capacity Building Database Report (DCD/DAC(2007)19) based on IDB data submission the Bank has TRTA/TCB commitments for 2005 US\$24.1 millions for Trade Policy and Regulations and US\$206.3 million for Trade Development. The definition includes both concessional and non-concessional lending and technical assistance grant resources.

FINANCING

7. Describe any aid-for-trade programmes you have initiated since the December 2005 WTO Ministerial Conference.

According to the IDB report to the OECD/DAC Trade Capacity Building (TCB) Database between in 2006 and 2007 (until august) the IDB approved more than 100 aid for trade programs. A complete description of the projects exceeds the scope of this review.

Examples of projects include: a technical cooperation project titled “Support for Mobilizing the Aid for Trade Initiative in Latin America and the Caribbean” financed by the IDB-Canada Trade Fund and Trade and Poverty Trust Fund (DFID) to raise awareness on the AFT initiative among LAC policymakers, provide on-the-job training to public officials and support governments, donors and the private actors to identify mechanisms to better address specific trade-related challenges, prioritize needs, and move towards shared solutions under the AFT initiative; a project titled “Strategy to Strengthen Trade Logistics and Trade Facilitation” financed by Canada Trade Fund for Barbados to prepare an assessment of the current efficiency and effectiveness of trade logistics and trade facilitation practices in Barbados, and to recommend specific actions based upon international best practices; a grant titled “Opportunities and Technical Requirements for gaining market access under the CAFTA-DR FTA” approved for Dominican Republic with the objective of increasing competitiveness and export capacities of SMEs in the agribusiness sector. In addition, several loans under the Trade Finance Facilitation Program has been approved, Banco del Pichincha in Ecuador, Davivienda in Colombia, Banco Nacional de Costa Rica, Banco Pine from Brazil, Interbank from Peru among others.

8. What is your financial plan for aid-for-trade?

IDB lending and technical assistance plan is driven by the demand of clients countries.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE PROGRAMMES?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development programming both at head quarters and in-country?

The economic and sector work prepared as a background of IDB Country and Regional strategies systematically includes a detailed analysis of trade-related issues. The Integration and Trade Sector of the Bank prepares diagnostic trade and integration studies, technical notes and policy briefs. These products are used to prepare policy dialogue documents that serve as a basis for consultations with governments (or regional institutions in the case of regional strategies), for the design of the Country or Regional strategies and for the identification, origination and development of specific operations.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Starting in 2006, the IDB has implemented a realignment process to adapt to changing global economic conditions and new opportunities and challenges that the Bank faces in supporting the region. Under the new Bank’s structure the Integration and Trade Sector will lead the Bank’s integration and trade agenda. Its expanded mandate is to generate knowledge and operational

solutions in areas which reflect the broad definition of AFT, namely: general integration and trade matters, trade facilitation, customs, standards, trade capacity building, export promotion and foreign investment attraction, global productive chains, trade agreements (negotiation, implementation and adjustment), regional integration and cooperation, and policy coordination. The activities of the Integration and Trade Sector are strengthened by the operation of the field-based Institute for the Integration of Latin America and the Caribbean (INTAL). The realignment also mandated an expansion of the human resources of the Integration and Trade Sector both in Headquarters and Country Offices. Also, the realignment process has enhanced Trade and Integration Sector coordination with other Sectors at the Bank to develop comprehensive aid for trade programmes such as trade finance, adjustment and social programs, trade related infrastructure and trade facilitation, among others. Through the Integration and Trade Sector, the Bank is in an excellent position to provide the countries of the region with the technical and financial assistance needed to successfully mainstream Aid for Trade into their development agendas.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

The Country and Regional strategies of the Bank systematically address issues related with the trade and integration agendas of client countries. The specific mix of lending, technical assistance and non-financial products proposed to client countries depends on the importance of trade-related issues in national development strategies.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

The IDB organizes annual Regional Policy Dialogues on Trade and Integration with regional and sub-regional sessions. These official's dialogues created a trade forum or network through which LAC countries could share experiences, learn about practices outside the region, and explore opportunities for regional cooperation in areas related to trade. The Regional Policy Dialogue meetings bring together vice-ministers and other senior trade officials from LAC countries to explore pressing trade issues, based on a previously-agreed agenda and technical work prepared by the Bank.

In the context of the design of country strategies the Bank organizes meetings (known in Spanish as *encerronas*) with political executives and high level officials to discuss the development issues and operational priorities for the Bank. Trade-related issues are systematically included in these high level policy dialogues. Policy dialogues are followed by consultations at the technical level throughout the implementation phase of the programming cycle.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

IDB lending and technical assistance operations are demand driven and systematically use policy planning and budget frameworks of client countries. Only a reduced number of small technical assistance project financed with grant resources are executed outside of this framework.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

In the last decades the IDB emerged as a leader in trade issues in the region and has developed a number of partnerships with other development organizations framed in Memorandum of Understandings. In the area of knowledge generation the IDB participates in a number of initiatives aiming at producing joint research programs and at sharing knowledge in trade-related areas.

At the operational level coordination occurred mainly with bilateral donors that channeled trade-related assistance via the IDB through Trust Funds. The two main trade-related trust funds are i) IDB-Canada Trade Fund, established in 2003, provides grants to relevant ministries or regional agencies to support trade-related capacity building programs and ii) the Trade and Poverty Trust Fund, established in 2005 as a multi-donor trust fund with an initial endowment of the United Kingdom (DFID), supports Bank efforts to respond to increased demands for analysis of the distributional effects of trade integration, as well as the formulation and implementation of strategies, policies and instruments aimed at enhancing the impact of trade integration on the poor.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

The IDB recognizes the strategic importance regional programs. In line with country and regional demand, it is committed to expand the allocation of resources to regional programs and to design new instruments for this purpose. Nevertheless, the actual allocation of IDB resources is demand-driven by national and regional strategies priorities.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

IDB operation systematically include a logic framework that sets goals, objectives and indicators to measure performance at the level of projects and components of the programs. Progress towards development and operational goals is measured quantitatively and qualitatively with Project Performance Monitoring Reports. Final development outcomes of projects are reported on Project Completion Reports.

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

The Office of Evaluation and Oversight (OVE) is responsible for conducting Country Program evaluations; policy, strategy, thematic and instrument evaluations; and oversee the Bank's internal

monitoring and evaluation system, processes and instruments. OVE also conducts oversight reviews of corporate strategy, processes and instruments; provides normative guidance on evaluation issues; and contributes to evaluation capacity building in the region. It also conducts ex-post project evaluations.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

Specific trade-related activities are not undertaken at the present moment.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Activities are not undertaken at the present moment.

IMF

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

The IMF does not have an explicit aid-for-trade strategy. The Fund is a financial institution that, in accordance with its mandate, promotes global financial stability and orderly exchange arrangements. It does not finance individual projects in member countries. Nonetheless, as one of the six multilateral institutions participating in the Integrated Framework, the Fund provides an active support to help countries take full advantage of the opportunities provided by international trade.

Fund activities related to aid-for-trade include technical assistance, Fund financial support, and policy advice. The Fund's technical assistance on trade centers on tariff and customs reform and, where needed, the design of overall tax reforms to compensate for revenue losses from trade liberalization. The Fund has also been active in the area of trade facilitation, notably on the modernization of customs administration. In the area of financial support, the Fund provides financing under its regular facilities to help address the overall balance of payments needs resulting from adjustment to trade-related reforms. In addition, the Fund has developed two instruments that can be tailored specifically to trade liberalization, notably the Trade Integration Mechanism (TIM) and Exogenous Shocks Facility (ESF). Fund also provides research and diagnostic analyses on trade issues. These feature prominently in Article IV consultations and policy discussions surrounding Fund-supported programs. In the context of the Enhanced Integrated Framework, the Fund maintains strong relations with bilateral donors and other international agencies to help least developed countries identify and implement policies and projects that facilitate their integration into the global trading system.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

The Fund's aid-for-trade strategy has been largely unchanged since the December 2005 Ministerial. The Fund and the World Bank have jointly presented the progress report "Doha Development Report and Aid for Trade" to the Development Committee in September 2006. In addition, the Exogenous Shocks Facility, which was developed in 2005, became operational in early 2006.

3. How does this strategy address regional aid-for-trade challenges?

As an organization not involved in financing development projects, the Fund does not generally face the regional aid-for-trade challenges encountered by a development agency. However, the Fund is actively engaged in fostering dialogue at the regional level, such as the high-level policy dialogue with the Caribbean countries on the implications of the preference erosion, discussion on regional integration in the Maghreb, and on trade policy in Central Asian Regional Economic Cooperation countries (CAREC).

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. *How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?*

The Fund has two financing instruments that can be tailored specifically to trade liberalization. The first one, the TIM, was set up to stand ready to assist countries with balance of payments needs following liberalization. The TIM allows augmenting access to Fund resources under regular Fund facilities to cover balance of payments shortfalls arising from trade liberalization by other countries. The second instrument, the ESF, became operational in early 2006 and can be used to provide concessional financing to low-income members affected by trade or other exogenous shocks. However, no member country has yet made use of this facility. See also response to Q1.

METHODOLOGY

5. *How do you allocate the aid-for-trade share in individual projects and programmes?*

As noted above, financing individual projects is outside the Fund's activity area. The financing available under the Fund's regular facilities depends on the macroeconomic assessment of country's balance of payments needs. Similarly, access under these facilities, including any additional amounts under the TIM, is determined by the expected shortfall in the member's balance of payments. See also response to Q1.

COMMITMENTS

6. *According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?*

In 2002-05, the Fund approved augmentations under the TIM for Bangladesh and Dominican Republic amounting to SDR 129 million (about US\$190 million), of which SDR 22 million was approved for the Dominican Republic in 2005. In 2006, Madagascar requested the activation of the mechanism for the amount of SDR 12 million, bringing the total approved financing to SDR 141 million, of which SDR 55 million (about US\$80 million) has been disbursed as of August 2007.

Regarding trade-related technical assistance, the Fund mounted 105 missions in 2002-05, 37 of which were to least developed countries. Over the same period, the Fund delivered 160 months of technical assistance by short-term experts, of which 52 months were provided to 12 different LDCs. In fiscal year 2005 (May 2004-April 2005), the total number of trade-related missions was 24, of which 8 were to LDCs; expert months totalled 22.5, of which 8.5 months were to 3 different LDCs.

PLEDGES

7. *Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.*

8. *What is your medium-term (beyond 3 years) financial plan for aid-for-trade?*

(For questions 7 and 8): The Fund responds to member's balance of payments needs and problems as they arise. It does not make pledges or reserve special funds.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

Fund financial operations are undertaken in response to balance of payments needs or problems in our member countries, which may be related to trade liberalization or other trade-related shocks. It also stands ready to help countries to identify and address trade-related vulnerabilities and to design policies to maximize the benefits from trade liberalization.

Technical assistance is provided at the specific request of Fund member countries. Generally members seek the Fund's advice on the development of tax and customs reform strategies related to their national development plans, or on particular areas of tax and customs administration that are of concern to the authorities. Technical assistance delivered by the Fund's short-term experts is generally directed to helping the authorities to implement strategically important elements of their reform plans. In addition, similar technical assistance is delivered by six regional centers (RTACs) which have been established to work closely with countries on tax and customs reforms on both a national and, where appropriate, regional basis.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

Trade-related technical assistance is delivered by Fund and contracted staff who are technical subject matter experts.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

Fund staff would encourage countries to integrate trade policies into their PRSs, and to explore the potential benefits to growth and poverty reduction that could result from trade liberalization, especially when undertaken on a non-discriminatory (MFN) basis through unilateral reforms or as a result of multilateral negotiations. Staff would assist the authorities in assessing and dealing with the economy-wide impact of such reforms, including with respect to their revenue effects and, with the World Bank, would discuss issues of timing and sequencing of trade reforms from this perspective. The Fund would encourage the incorporation in PRSs of recommendations from the Integrated Framework's country-specific Diagnostic Trade Integration Studies that fall in areas relevant to the Fund's work.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

See responses to questions 9 and 11.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Fund financial arrangements, including those responding to trade-related balance of payments needs and problems, are aligned with national developments strategies and budgets to the extent possible given the contents of the strategies and plans. A member country's Fund-supported program may include additional measures needed to achieve the goals of the program.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

Fund financial programs and policy advice on macroeconomic frameworks are discussed, inter alia, with the World Bank, other multilateral financial institutions, and bilateral donors to ensure consistency between macroeconomic framework (that underpins the national budget and Fund-supported program) and creditors' and donors' plans. Coordination issues may also arise in the context of Fund provision of technical assistance and capacity building. However, as the Fund does not lend for specific projects, questions of coordination on analyses or funding of specific projects do not generally arise.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

See answer to questions 7 and 8.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

There are in-house standard evaluation techniques designed to evaluate projects and programmes based on the type and nature of projects and programmes.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

(Questions 16 through 19): The Fund evaluates programs and policy advice on an ongoing basis through policy papers and reviews prepared by Fund staff for the IMF Executive Board. Furthermore, the Fund's Independent Evaluation Office (IEO) also provides evaluations to the Executive Board and an IEO evaluation of the Fund's approach to international trade issues is currently underway. Finally, the Fund also arranges for high-level external reviews of important issues or policies on an ad hoc basis, as was done in the recent case of the report of the External Review Committee on Bank-Fund Collaboration (the Malan report). However, as noted above, the Fund does not finance specific aid-for-trade projects, and no evaluations specifically focused on aid-for-trade are planned.

Aid-for-Trade Proxies		ODA commitments: US\$ thousands, 2004 constant prices					
Agency	IMF						
TCB Code	CRS code		2002	2003	2004	2005	2006
	33121	Trade facilitation: of which		1792	1411		
	33123	Trade facilitation procedures					
		Tariff reforms	61			12614	1875
	51010	General budget support				156470	32316
		to be replaced by: Trade-related adjustment					16852

ITC

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

ITC has a rather particular position in aid-for-trade, because 100% of its work is in fact within the provision of aid-for-trade as OECD has defined the term. The work of the ITC is entirely focused on the development of exports in developing and transition countries. As expressed in its Mission Statement, “ITC enables small business export success in developing countries by providing, with partners, trade development solutions to the private sector, trade support institutions and policy-makers”.

Three key elements in this strategy have been defined outlining the priority areas in which ITC delivers technical assistance:

- Strengthen the international competitiveness of enterprises;
- Develop the capacity of trade service providers to support businesses
- Support policy makers in integrating the business sector into the global economy.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

The December 2005 WTO Ministerial Declaration reinforced ITC’s strategic approach by encouraging “all Members to cooperate with the ITC, which complements WTO work by providing a platform for business to interact with trade negotiators, and practical advice for small and medium-sized enterprises (SMEs) to benefit from the multilateral trading system.”

Since June 2006, the ITC has embarked in a change management process with a view to improve the relevance of its services to clients. In terms of values, the new ITC approach places growing emphasis on sustainable development in exports development efforts, the ultimate goal of the organization being its contribution to the MDGs and priority on the countries which most need its support.

3. How does this strategy address regional aid-for-trade challenges?

ITC’s programme (the Consolidated Programme Document) has been designed around a sub-regional configuration, since ITC recognizes the importance of regional cooperation and integration in the trade field. ITC is working with a number of regional economic cooperation organizations, laying special emphasis on networking and value-chain development among private enterprises. For example ITC conducts at regional level the “Bridges Across Borders” networking events with the specific purpose of bringing together service sector industry associations in Africa in order to promote partnership and exchange market information.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

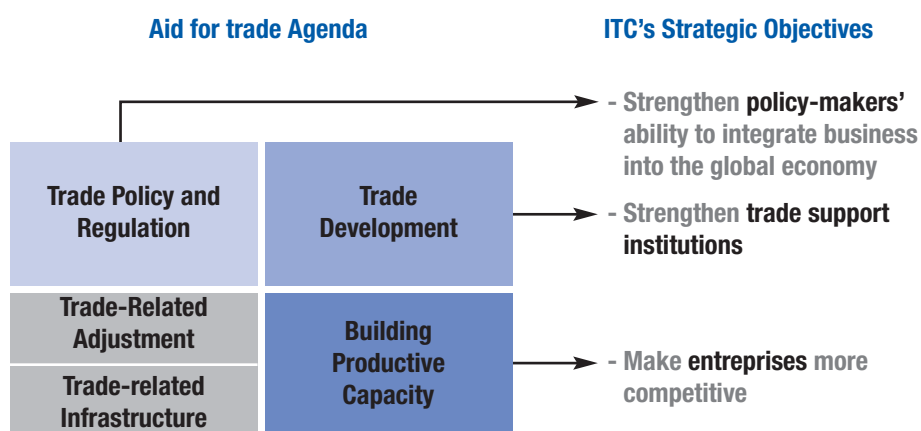
SCOPE

4. *How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?*

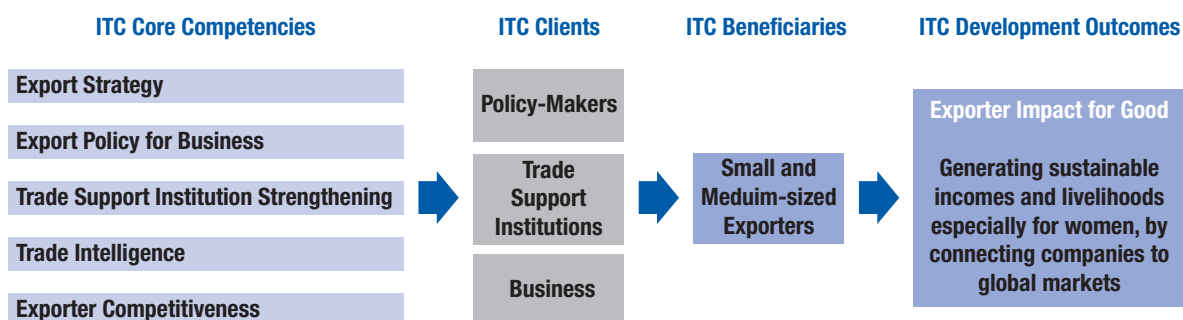
METHODOLOGY

5. *How do you allocate the aid-for-trade share in individual projects and programmes?*

All ITC activities fall under the aid-for-trade concept. As shown in the diagram below, priority areas in which ITC delivers technical assistance correspond exactly to three of the five items of the Aid-for-Trade agenda:



ITC concentrates its activities on trade development with special emphasis on enhancing high performance in business support services and institutions. In terms of ITC's methodology, the objective is to increase the scale of ITC activities to ensure higher impact and effectiveness, through a better use of partnerships and networks, outsourcing and insourcing. Concerning the revamping of ITC's core competences, focus is on demand-driven products and services, e.g. marketing, and their bundling into a coherent and integrated programme mode, in preference to a more fragmented delivery.



COMMITMENTS

6. *According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?*

As shown in ITC's Aid-for-Trade Proxies table, ITC primarily works at "Building Productive Capacity" and more precisely at "Trade Development" level". The bulk of its efforts focus on the "Business support services and institutions" where ITC assists in the capacity building and networking of Trade Support Institutions vis a vis the business community and in their dialogue activities on export issues with policy makers. The second category of importance is "Market Analysis and Development". On market analysis aspects, ITC is specialized on the provision of Trade Intelligence (market access information, trade data, together with the necessary market research expertise) in order to enable policy makers, trade support officials and exporters to make informed decisions. In terms of market development, ITC provides exporters with the expertise in management practice, production/supply chain including logistics and distribution, as well as marketing and sales. The third is "Trade Promotion Strategy and Implementation" where ITC provides an integrated package of methodologies and tools to carry out trade assessments and approaches to national, regional, sector and enterprise level strategy development and implementation support services. Finally, ITC is also active in the "Trade Policy and Regulations" category, mainly in raising awareness of the business sector about the importance of trade regulations and negotiations.

PLEDGES

7. *Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.*

Not applicable to the ITC

8. *What is your medium-term (beyond 3 years) financial plan for aid-for-trade?*

The financial projection for ITC delivery in 2009 is US\$ 60 mio. This would represent more than a doubling of the current levels of aid-for-trade over 2006. It is anticipated that Least Developed Countries (LDCs) will represent by this date, about 50% of ITC activities. The success of this approach will partly depend on the ability of the organization to reverse the current structure in funding from earmarked to un-earmarked funds.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. *How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?*

10. *Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?*

Aid-for-trade is an integral part of all ITC's activities.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

- 11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?**
- 12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?**

One of ITC's "flagship" programmes is the development of national Export Strategies. This programme has been applied in over 30 countries so far, utilizing a unique methodology. These strategies are entirely compatible with, and supplementary to, national development frameworks. They build on existing DTIS and other needs assessment exercises.

ITC's approach specifically emphasizes public-private dialogue to ensure a common understanding of stakes and challenges among stakeholders during the trade development strategy design process. The aim is to ensure that private sector interests are needed and taken account of.

In the context of aid-for-trade discussions, ITC is currently organizing a series of three meetings in Lima (Latin America and Caribbean) Manila (Asia Pacific) and Dar es Salaam (Africa). These meetings take place in the context of regional ministerial sessions that have been called to prepare for a WTO Global Aid for Trade Review in Geneva on 20–21 November. The contribution of the ITC focuses on how public-private partnerships in export promotion are functioning and will look at how successful experiences can be replicated across the three regions.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

- 13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?**

See above on the development of NES. ITC is also in frequent contact with the Trade and Finance Ministries of beneficiary countries.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

- 14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?**

Coordination and harmonization with other multilateral agencies are ensured through ITC's participation in the JITAP (ITC, UNCTAD and the WTO) and the Enhanced Integrated Framework (IMF, ITC, UNCTAD, UNDP, World Bank and the WTO). Participation in diagnostic exercises and determination of priorities in the Action Matrix enables the coordination of activities of the organizations in question. ITC has signed agreements with a growing number of partners including the regional development banks. It is engaging with other UN organizations under the One UN initiative. In several countries, ITC collaborates closely with UNIDO under EC funded programmes.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

See response in item 8.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

ITC has developed a series of sub-objectives related to each of the priority areas in which ITC delivers technical assistance (ref. Response in item 1.). These sub-objectives are expressed in terms of expected results and for each of them, there is a set of indicators by which to measure success. These elements are an integrated part of ITC's Consolidated Programme Document. In the full implementation of this RBM system, ITC will rely on a strong level of partnership with intermediary Trade Support Institutions to monitor the actual impact of ITC products and services on exporters and the national trade infrastructure. To complement these efforts, ITC conducts several major programme evaluations each year.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

In 2004/2005, a team funded by Denmark and other donors comprehensively evaluated the ITC. Individual donors also fund specific programme evaluations.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

The most relevant examples of Mutual Accountability in ITC are the involvement of local consultants and counterpart organizations as active team members in the majority of our programme evaluations.

WORLD BANK

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

The objectives of the World Bank's aid for trade strategy are to make developing countries more integrated into the world economy to spur their economic growth and reduce poverty and to make the world trading system more supportive of development. The Bank's work on trade is based on mutually reinforcing objectives at the global, regional and country levels. *At the global level*, the Bank advocates a world trading system more supportive of development, especially for the poorest economies. This includes support for a more open, non-discriminatory and rules-based trading system, and for an ambitious outcome in the Doha Development Agenda, notably in terms of market opening and reductions in trade-distorting policies and strengthened rules. *At the regional level*, the Bank aims to support pro-development regional integration, including by working with partners to maximize the development impact of regional trading agreements. *At the country level*, the Bank aims to promote trade and competitiveness in developing countries to facilitate their integration into the world economy and spur their economic growth. Country level work encompasses three main elements: *improving incentives for private investment in trade* (e.g., via reforms in tariffs, and tax policies); *reducing the costs of trading and improving the quality of local services* (e.g., transportation systems, high quality telecommunications, and better financial services); and *pro-active policies to promote competitiveness* (e.g. coordination, supplying missing markets, and overcoming informational gaps such as disseminating and certifying standards, providing information on foreign markets, and export promotion). The Bank brings a range of tools to the trade agenda, from trade-related lending operations and non-lending technical assistance, to external training, analysis and research, and the production of "global public goods" (knowledge products and trade-related data and indicators such as the Overall Trade Restrictiveness Index, the Logistics Performance Indicators and the World Trade Indicators). The Bank's work on trade is multidisciplinary and covers a wide range of topics from trade policy to standards, logistics, trade facilitation, services, etc.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

The Bank's strategy has not specifically evolved in response to the December 2005 WTO Ministerial; renewed attention to trade within the Bank dates back to 2001. Additional refinements to the Bank's work on trade were introduced in 2006 to reflect the recommendations in the report of the Independent Evaluation Group - the internal watchdog of the Bank - on the Bank's work on trade over the past 17 years.¹ The report recommended that the Bank give greater attention to addressing poverty and distributional outcomes from trade reforms, and to addressing factors and complementary reforms to improve export supply response, thereby fostering a closer integration of trade-focused support activities with those that target the private sector.

1. Independent Evaluation Group, 2006, *Assessing World Bank Support for Trade 1987-2004: An IEG Evaluation* (See the full report here: <http://www.worldbank.org/ieg/trade/>), March.

A range of measures and programs have been set up to address gaps identified, and the recommendations are also reflected in the Bank's current trade strategy (see question 1 above). New measures are particularly focused on better integrating trade policies into country and operational work. For example, the Bank has launched a trade initiative that aims to expand the country operational work on trade, mainly in Africa, and devote greater attention to poverty impacts and adjustment costs. The Bank has also intensified the work in several countries (including Tanzania, Madagascar, Cambodia, Bangladesh, Laos, Morocco and Tunisia) where trade reform is particularly important for growth. The Bank has also increased joint activities among various sector groups to maximize inclusion of trade enhancement objectives in areas such as infrastructure of private sector development. The Bank has also stepped up knowledge programs on trade and competitiveness, which has become the center of the Bank's analytical and advocacy work. Major efforts target the production of indicators (Logistics Performance Index (expected to be released in October 2007), a compilation of World Trade Indicators), an initiative on export diversification, and an initiative on transit facilitation and landlocked countries.

3. How does this strategy address regional aid-for-trade challenges?

The Bank has taken a number of steps to highlight and address the regional agenda on aid for trade.

In September 2005, Bank and Fund staff presented an Aid for Trade paper to the Board where they raised the issue of whether existing instruments and mechanisms were adequate to realize the benefits of regional cooperation. The paper concluded that regional cooperation on trade-related projects can help promote the competitiveness of low-income countries, in particular the land-locked countries, in ways that purely national interventions cannot, or less efficiently.² However, achieving regional cooperation on infrastructure and trade-related regulation is difficult. The needed coordination is impeded by uncertainty regarding the distribution of benefits and fears of asymmetric implementation costs and free riding. Moreover, weaknesses in regional institutions hamper the channelling of aid for trade funds for regional concerns. For example, many regional bodies in the developing world do not earn revenues and thus cannot borrow from donors without country guarantees.

That said, there has been some progress in addressing regional programs. The Africa Regional Integration Department is now developing an Africa-wide Regional Integration Assistance Strategy, to identify priority regional programs; provide a framework for capacity building in key regional institutions; and serve as a platform for joint efforts with other donors. The East Asia and the Pacific region has also prepared a regional strategy for the Greater Mekong Sub-region (GMS). The Bank's Legal Department has also been working on formulating guidance for staff on how to address the legal challenges arising from regional projects.

Under IDA14 approximately \$1 billion is available to assist regional programs (this amount corresponds to two-thirds of regional project commitments, while the source of the remaining one third is participating countries' IDA allocation). Of this, 90% is being utilized in Africa, with IDA13 and IDA14 currently covering 18 regional programs at a total of US\$1.8 billion, including guarantee projects.³ Infrastructure projects (energy and transport, followed by communications) account for

2. The paper put forward three options: (i) improve existing bilateral and multilateral facilities; (ii) provide access to dedicated grant financing to facilitate regional coordination and support regional policy and regulatory reforms; and (iii) create a dedicated fund to cover a share of the costs associated with large-scale infrastructure projects or other joint regional facilities. The Board supported option (i).

3. In FY06, IDA commitments for regional projects reaches \$538 million, 11% of total IDA commitments by Africa, and FY07 Africa regional project commitments amount to \$707 million, 12% of IDA commitments by Africa.

more than 80% of total commitments,⁴ and many of the Bank's engagements to assist regional integration are in partnerships with other donors. However, IDA regional funds do not allow for grants to supra-national bodies, restricting Bank support for capacity development of Regional Economic Communities.⁵ Limited support has been provided through the Institutional Development Fund (IDF), partnerships and bilateral trust funds. Demand for regional assistance in Africa in FY08 totals approximately \$1 billion (based on requests for regional projects for FY08 commitments) of which two thirds is required as regional funds.⁶ Africa's demand for regional IDA projects is projected at over US\$ 700 million per annum (including one-third co-financing) during IDA15. A strong replenishment of regional resources under IDA15 will be critical in meeting this rising demand.

Some current Bank operations have a regional dimension. For example, the Bank supports transit and transport corridor projects in the major regions of sub-Saharan Africa. These aim to improve access of land-locked countries to export markets and reduce trade costs and transit times for all participants. For example, the **East Africa Trade and Transport Facilitation Project** aims to improve the trade environment through the effective elimination of tariff barriers in the EAC Customs Union Area, to enhance logistics services' efficiency along key corridors by reducing non-tariff barriers and uncertainty of transit time, and to improve railway services in Kenya and Uganda. Additionally, the Bank also conducts training courses on a regional basis. In FY07, 34 trade-related training courses were held (just under 14,000 participant training days), of which 15 were country-based and 19 were regional/global activities.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

The Bank has a broad array of trade-related activities, including concessional (*stricto sensu* aid for trade) and non-concessional lending, trade-related technical assistance (either embedded in lending or stand-alone) and external trade-related training. Additionally, we believe that three other activities also make an important contribution to assisting developing countries in assessing their trade performance, making the case for trade reform, and estimating the impact of reforms, although we do not include them in the figures we provide to the OECD-DAC database. These are: Bank analysis and policy advice, trade-related research and a range of data and benchmarking tools (e.g., *Doing Business*, the Logistics Performance Index, the World Trade Indicators and the joint Bank-UNCTAD World Integrated Trade System database).

4. Projects include: the West Africa Power Pool Project to build an efficient power market in six countries; the East Africa Transport Project to reduce transport costs by 20-35% through improved roads; and the Southern Africa Power Market Project (\$179 million) to connect the electricity grid of the Democratic Republic of Congo to that of Zambia, with the aim of eventually integrating all southern African countries into a regional energy market.
5. Several regional organizations have approached the World Bank to request assistance to strengthen regional coordination of trade issues. While the Bank is hampered by a lack of a grant instrument to provide financing to regional bodies, it undertook several regional diagnostic studies in FY06 and FY07, including reviews of implementation of customs unions and analyses of gaps in regional infrastructure, and is currently analyzing the major impediments for improving the business climate in the Common Market for Eastern and Southern Africa (COMESA) that should be addressed at the regional level.
6. The emphasis remains on power, transport corridors, trade facilitation and support for telecommunications. Additional assistance is also anticipated for environmental protection, management of shared natural resources, regional initiatives to raise agricultural productivity, combating migratory diseases and capacity development.

METHODOLOGY

5. How do you allocate the aid-for-trade share in individual projects and programmes?

The dollar amount for trade-related lending represents the portion of Bank projects that are allocated to the Trade and Integration theme by project managers. All Bank projects are coded according to sectors (indicating the part of the economy that receives the Bank's support) and themes (goals/objectives of Bank activities). Trade is not a sector, but is one of 11 major themes, and is further divided into six sub-themes (see Annex 1).¹⁷ For each project, the task manager chooses up to 5 sub-themes, prioritized as primary or secondary, against which the Bank's Operations Policy and Country Services Department (OPCS) allocates shares of the loan. Primary themes have twice the weight of secondary themes - i.e., a project with 3 primary and 2 secondary themes has a weight of 25% per primary theme and 12.5% per secondary theme. Only those portions of projects attributed to trade are used in calculating the value of trade-related lending, in order to avoid double counting across the Bank's priorities. On average, the trade component of trade-related loans is around 30%.

For example,

- The \$140 million *Customs Development* project in the Russian Federation is allocated as: trade (25%), tax policy and admin (25%), admin/civil reform (24%), legal institutions and markets (13%) and standards and financial reporting (13%). So the trade-related lending amount is \$35 million, based on the 25% allocation.
- Of the \$207 million *Kenyan Northern Transport Corridor* project, 38% (\$79 million) is allocated to trade (2 sub-themes: trade facilitation and regional integration), 25% to infrastructure services, 24% to regulation and competition and 13% to administrative and civil reform.

To avoid projects that are not trade being counted as trade (especially under the regional integration sub-theme) and vice-versa (especially due to proximity in economic impact with the financial and private sector development themes), the Trade Department, in close collaboration with regions, the Operations Policy and Country Services Department and task managers, checks all loan projects. There could, however, be *some undercounting of assistance to trade*, where it only represents a relatively small component of a much larger project and thus does not appear as one of the 5 themes.

Similar methodology is followed with regard to non-lending technical assistance; however the Trade Department does not systematically check all TA for miscoding. Trade-related training is identified separately by the World Bank Institute, the Bank's training arm.

A most important feature of this methodology is that it avoids double counting of ODA amounts for different economic and social outcomes. For instance there could not be double counting between aid for trade and aid for health. Although the exercise is subjective by nature, there are checks and balances in place to ensure a level of consistency in the reporting across projects and regions.

Based on what we understand to be the proposed OECD methodology, there are key differences between how the OECD and the Bank calculate assistance related to trade:

17. Other major themes are: Economic Management; Public Sector Governance; Rule of Law; Financial and Private Sector Development; Social Protection and Risk Management; Social Development, Gender and Inclusion; Human Development; Urban Development; Rural Development; and Environment and Natural Resources Management. These are further divided into sub-themes, varying in number from four to ten.

- (i) The OECD methodology counts most *economic infrastructure* (transport and storage, communications and energy, but excluding water) and *all budget support* as trade-related, while the Bank counts only the component of those projects with identified trade themes; Most of the balance in economic infrastructure will come under private sector development and finance or economic management themes.
- (ii) The OECD methodology seems to have less breakdown of project components, more often attributing 100% of the value of a project to an aid for trade purpose, while the Bank counts only that portion of a project identified as trade (rarely more than a third of the project);
- (iii) The Bank methodology is exclusive as it clearly separates trade outcomes from other developmental outcomes; it is not entirely clear whether the OECD convention or the methodology used by other agencies involves double counting; for instance, the same economic infrastructure amounts would appear both in aid for trade or aid for private sector development.
- (iv) The OECD only count *concessional trade lending*; while the Bank counts both concessional (IDA) and non-concessional (IBRD) projects.
- (v) The OECD add numbers for lending to figures on trade-related TA and capacity building based on Bank submissions to the Joint WTO-OECD Trade Capacity Building Database (TCBDB). However,
 - a) Bank submissions to the TCBDB already extract an estimate of the TA components of loan projects (see Annex 2), giving rise to possible double counting.
 - b) Bank submissions to the TCBDB have not in the past included trade-related training conducted by WBI. They have included all TA as we cannot readily separate concessional and other (fee-based, reimbursable or cost-shared) TA.

Together, these factors give rise to large differences between WTO/OECD and Bank figures for the Bank's trade-related assistance. For example, if 100% of the value of Bank projects including trade a theme were counted as trade-related lending, instead of only that portion that relates to trade, figures for trade-related lending in FY07 jump from \$1.6 billion to around \$5 billion (IDA increases from \$569 million to \$2 billion and IBRD lending from \$1 billion to \$3 billion).

We will follow up further with the relevant people at the OECD to discuss differences in Bank and OECD calculations of Bank aid for trade.

COMMITMENTS

6. **According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?**

The figures below cover the period 2002-2007. Figures for trade-related training are not available for 2002. As noted above, only lending, training and TA are included here, notwithstanding the contribution that analysis, research and data/indicators make to the bank's overall trade activities.

Trade-related lending grew threefold over FY2003-2007 (Table 1).

Table 1: Estimates of Bank trade-related lending, FY03-07

(Commitments in US\$ millions and numbers of projects that included trade as a theme)*

	FY2002		FY2003		FY2004		FY2005		FY2006		FY2007	
	\$mn	No.	\$mn	No.	\$mn	No.	\$mn	No.	\$mn	No.	\$mn	No.
Trade-related lending	316	29	566	29	1282	39	1080	50	1611	51	1570	67
- of which, concessional (IDA)	141	12	142	16	508	16	351	26	537	27	569	29
- of which, non-concessional (IBRD)	175	9	424	7	774	18	729	22	1074	19	1001	26

*Dollar amounts represent only the trade theme share of the project value (see Annex 1); numbers of projects count each project for which trade is one of the themes as one. Numbers of projects do not add up as totals also include projects under the Global Environmental Facility and Institutional Development Fund and Recipient Executed Technical Assistance.

Source: Business Warehouse, August 2007.

In trade-related training, the number of participant training days has remained relatively stable, despite a drop in the number of events in FY07 (expenditure remained constant at \$1m), reflecting a shift to more in-depth and focused, customized events (Table 2). Technical assistance (TA) projects involving trade have also experienced steady increases (Table 2). Note that these figures include both concessional and non-concessional (fee-based, reimbursable and cost-sharing) TA.

Table 2: Estimates of Bank Training, Technical Assistance involving trade, FY03-07

(numbers of activities)*

	FY2003	FY2004	FY2005	FY2006	FY2007
External training	27	49	60	62	34
- participant training days	9262	4500	10541	14846	13781
Technical Assistance (non-lending)	21	14	31	35	37

* Estimates count each activity for which trade is included as a theme as one.

Source: Business Warehouse, August 2007, WBI.

We use the number of participant training days for trade-related training as the best indicator of the number of persons we are reaching. Moreover, relatively inexpensive activities can have a high pay-off. However, dollar figures are available (Table 3). All training is concessional, bar the Columbia University course, which is not included in these figures.

Table 3: Trade-related Training, FY03-FY07

	FY2003	FY2004	FY2005	FY2006	FY2007
Number of activities	27	49	60	62	34
Number of countries*		10	11	11	14
Number of Participants	2055	2140	3869	3536	2552
Participant Training Days (PTDs)	9262	4500	10541	14846	13781
Costs					
Non-Staff Costs (in '000)	\$1,102	\$1,150	\$834	\$1,094	\$1,027
of which Bank Budget	\$771	\$724	\$475	\$648	\$812
of which Trust Fund	\$331	\$426	\$359	\$447	\$216
Staff Costs	\$309	\$640	\$434	\$833	\$656

*Number of countries with country-specific activity, not counting countries hosting regional or global activities.

Source: Business Warehouse, August 2007.

The Bank produces annual cost figures for TA broken down by theme, indicating how much is being spent each year, regardless of when particular projects are completed. However, cost numbers broken down by theme are not indicative of how many resources - i.e., inputs - the Bank spends on preparing a deliverable. For example, if a given TA project has two primary themes, of which only one is trade-related, and the total cost of the piece is \$100,000, it may not be accurate to conclude that \$50,000 was spent on work related to the trade theme. Moreover, the bulk of these cost figures represent staff costs (along with travel and consultants).

Information on how we calculated our previous submissions to the Joint WTO-OECD-DAC Database on Trade Capacity building is at Annex 2.

PLEDGES

7. Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.

The Bank does not operate on the basis of pledges (although we have provided funding for other activities, such as the Integrated Framework, through the Bank's Development Grant Facility). That said, trade-related activities have seen a significant increase in the Bank in the last 5 years (see above), and we expect this trend to continue.

8. What is your medium-term (beyond 3 years) financial plan for aid-for-trade?

The Bank does not operate on 3 year financial plans; we have only an indicative 2 year program of lending. With a new President, the Bank is currently in a period of transition, but trade is emerging as a priority area for increased attention in the future. Moreover, it is expected that as the mainstreaming of trade into country development strategies gains traction, country and donor attention to and resources for trade and competitiveness as part of the growth agenda will increase.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?

The joint World Bank-IMF Development Committee in its April 2006 Communiqué, asked Bank staff to deepen their work to integrate trade-related needs into their support for country programs and to continue their global advocacy on trade and development. This appeal has shaped the Bank's overall trade strategy and programming is focused on mainstreaming trade into Country Assistance Strategies (CAS) and Country Partnership Strategies (CPS) where it has been identified as a priority for economic growth and development. CASs and CPSs are driven by country demand and are developed through regular dialogue about the full range of policy issues, so trade is never considered in isolation from other development issues at the country level. A more detailed description of how the mainstreaming agenda is being pursued is in the answers to questions 1, 2 and 11.

The Bank's aid-for-trade operations are country-driven and managed in a decentralized way by the Country Director/Manager, who in most cases resides in the field. The Bank does not make a distinction between headquarter and field development programs.

10. Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?

The Bank's Trade Department has been engaging with country and sector teams to strengthen cross-sectoral expertise in various trade-related areas in order to develop comprehensive trade integration programs. For example, the Africa Region has developed a strategy and a short list of potential countries for the scaling up of exports under the Africa Action Plan. Since 2003, the Trade and Infrastructure Departments had an active partnership in the areas of trade facilitation and logistics; a similar arrangement was established with the Agriculture and Rural Development department for a program on Standards and Food Safety. The Private Sector Development Network and the Trade Department are now working together to develop knowledge tools, and provide support to client country on export development, competitiveness, and trade in services. These partnerships are aimed at strengthen the Bank's engagement on trade issues through increased advisory work and lending operations.

To complement these efforts, the Bank is establishing a three-year multi-donor trust fund (mobilizing roughly \$20 million) for mainstreaming trade into development plans which will provide additional external resources for advisory services, technical assistance, project preparation, and capacity building to clients on a broad range of trade related issues.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?

This is done on a case-by-case basis depending on the circumstances of the country. In some cases, trade may not be an immediate priority for a country client (as in some countries recently emerging from conflict situations). In countries where the Bank believes that the national development strategy should have but lacks a strong trade component, the Bank, via the country team, engages with the government to begin a country dialogue on strategic trade issues that are important for leveraging growth. Developing a program of analytical and advisory work is often the first step to informing and advancing the dialogue and moving toward a comprehensive plan for reform.

12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?

The Bank's projects are discussed and agreed upon with governments. That said, the Bank encourages governments to consult with all relevant stakeholders in trade reform programs. Projects in areas such as trade facilitation or export promotion and diversification require serious involvement of private sector constituencies. For certain types of projects (e.g., infrastructure projects such as roads and railroads involving potential relocation), the Bank's own guidelines require the consultation with local populations.

ALIGNMENT

Refers to donors basing their overall support on partner countries. national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

Yes, all World Bank projects use the countries' budgeting framework since the Bank finances only projects that are part of the governments' program. Bank-funded projects (training, global and regional programs) obviously do not have any connection with country budgets, but are developed in response to client demand and reflect their priorities.

HARMONISATION

Refers to donors. actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

The Bank, being a key source of knowledge and operational experience, has a central role in terms of harmonization, diffusion of innovation or best practices among development agencies. This is true at the global, regional and country levels, and there are clear synergies between the several layers of activities. Active cooperation with specialized organizations like WTO, UNCTAD, WCO, and also the private sector (thanks to the Global Facilitation Partnership) contribute to this objective at the global level.

At the country level, in the context of the World Bank's trade programming and lending operations, coordination with other donors is being implemented through program based approaches, which for the Bank implies development policy operations supporting trade reforms and IBRD/IDA trade-related investment projects with joint financing. The same is typically true for large infrastructure projects (trade corridors). The Bank also encourages joint missions with development partners and use of country financial systems for lending operations where appropriate. For example, for the Development Policy Loan (DPL) of Mauritius, the Bank led a mission including the European Commission, Agence Française de développement (Afd) and the African Development Bank, and a common matrix of reforms and results was agreed with a government as the basis for the Bank DPL, and for additional financing provided by the other donors. The Bank is working with other development partners in the context of the Integrated Framework. Under the Integrated Framework, the Bank has carried out joint analytical work (i.e. DTISs) and capacity building activities with development partners. At present, the Bank has undertaken approximately 29 DTISs in coordination with donors.

The regional level is maybe the one where consistency and harmonization is most critical. As noted above, many of the Bank's engagements to assist regional integration are undertaken with other donors. The African, Asian, or Inter-American Development Bank and the EU have become close partners, sharing the costs in the development of complex infrastructure programs and co-financing most large regional investments. Other significant partners include DFID, Afd, USAID, Germany, Japan, Netherlands, and Nordic countries.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Yes, the Bank is increasing resources for trade, including for regional programs (see question 3 and 6 above).

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

The objectives of the Bank's aid for trade strategy are to make developing countries more integrated into the world economy to spur their economic growth and reduce their poverty rate.

While Bank's projects usually follow a timeframe of three years, the Bank establishes short and medium term performance indicators. *In the short term* (on an annual basis) the Bank evaluates the performance of its aid for trade programmes by monitoring developments in trade-related lending, technical assistance, and analytical and advisory services. For example, Bank lending – concessional and non-concessional – has grown from about \$400 million in total commitments in fiscal year 2000 to about \$1.6 billion in 2006 and 2007. This represents about 10% of total Bank lending and was spread over 42 countries. Bank trade-related *technical assistance* has also increased over the past five years, from 21 projects in fiscal year 2003 to 37 projects in fiscal year 2007. In a similar fashion, trade-related analytical work continues to expand, with 66 studies in FY2007 in more than 41 countries (plus an additional 9 regional studies). *In the medium term*, the success of aid for trade objectives is measured by the attention that countries give to trade in their development strategy, as well as by looking at some output indicators that measure the countries' trade intensity (export and import) and the level of openness (e.g., ratio of trade in GDP). For example, of 71 Poverty Reduction Strategies (PRs) reviewed since 2005, 70% mentioned trade as part of the strategy for growth. However, fewer, especially earlier PRSPs, articulated operational programs to address constraints on trade. Overall, only around one third included specific and monitorable policy measures to address transport and trade facilitation, export promotion or regional integration issues.⁸

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

As for the entire Bank portfolio, trade projects and programs are monitored by the Bank's Quality Assurance Group (QAG). Lending projects are assessed for quality at entry and quality of supervision (all task managers of lending operations also complete implementation completion reports when loans/credits close). Programs on analytical and advisory services are assessed for relevance, quality of the analysis, and likely impact. Following a thorough review of project and program documents as part of desk reviews, and interviews (both headquarter and field based), the QAG panel assesses quality against agreed criteria on a six point scale from Highly Satisfactory to Highly Unsatisfactory.

Furthermore, after completion, projects/programs are randomly selected by the Independent Evaluation Group (IEG) for in-depth evaluation. Additionally, the Bank's entire trade program over the last 17 years has been subject to review by the IEG (see answer to question 2 above).

All trust funds also generally involve periodic external, independent evaluation of outcomes and performance.

8. In some cases, PRSPs may have addressed infrastructure issues such as roads, railways or telecommunications, but not linked these to facilitating external trade. Such analysis would not have been viewed as supporting trade in this discussion of PRSPs. It also may be that countries are undertaking trade-expanding measures that are not reported in PRSPs.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

The Bank's operations have established monitoring and evaluation procedures with partner countries at the macro (all Bank lending) and micro (project based) level. Also, since most aid for trade projects are done in conjunction with donors and taking account of the activities of other development agencies, monitoring and evaluation are undertaken jointly. In addition, for IDA and highly debt dependent countries, the Consultative Group - chaired by the Bank- offers venues for the World Bank to oversee with donors and countries the overall strategy for development of these countries.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

The Bank engages with partner countries, regional development organizations and other donors to discuss general strategic development of aid for trade and mobilize aid for trade by all parties. The Bank is playing an active role in the regional aid for trade conferences that will take place in Latin America, Asia and Africa in September-October 2007, organized by the WTO in cooperation with the respective regional development banks. These conferences will give an opportunity to all parties to identify gaps and take full advantage of aid for trade.

Annex WB 1: World Bank theme and sector codes

World Bank Theme Codes (OPCS)

Coding Instructions:	Themes are:	Themes are not:
<ul style="list-style-type: none"> Overview http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/intro.htm Investment lending Adjustment lending Economic and Sector Work http://intranet.worldbank.org/ICR?contentMDK=20224597&sitePK=388672 Analytic and Advisory Services Internal Orders 	<ul style="list-style-type: none"> the goals/objectives of Bank activities. consistent with the Bank's corporate advocacy and global public goods priorities. also used to capture Bank support to the Millennium Development Goals. http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/codinginstr/ESW.htm 	<ul style="list-style-type: none"> methods/instruments of delivery or ways of doing business. reflections of the structure of Networks in the Bank. mutually exclusive.

Economic Management

- 20 Analysis of economic growth
<http://intranet.worldbank.org/ICR?contentMDK=20224617&sitePK=388672> - 54
- 21 Debt management and fiscal sustainability
<http://intranet.worldbank.org/ICR?contentMDK=20224617&sitePK=388672> - 54
- 22 Economic statistics, modeling, and forecasting
<http://intranet.worldbank.org/ICR?contentMDK=20224617&sitePK=388672> - 54
- 23 Macroeconomic management
<http://intranet.worldbank.org/ICR?contentMDK=20224617&sitePK=388672> - 54
- 24 Other economic management
<http://intranet.worldbank.org/ICR?contentMDK=20224617&sitePK=388672> - 54

Public Sector Governance

- 25 Administrative and civil service reform
<http://intranet.worldbank.org/ICR?contentMDK=20224619&sitePK=388672> - 59
- 26 Decentralization
<http://intranet.worldbank.org/ICR?contentMDK=20224619&sitePK=388672> - 59
- 27 Public expenditure, financial management, and procurement
<http://intranet.worldbank.org/ICR?contentMDK=20224619&sitePK=388672> - 59
- 28 Tax policy and administration
<http://intranet.worldbank.org/ICR?contentMDK=20224619&sitePK=388672> - 59

Social Protection and Risk Management

- 52 Natural disaster management
- 53 Poverty strategy, analysis, and monitoring
- 54 Social safety nets
- 87 Social risk mitigation
- 51 Improving labor markets
- 55 Vulnerability assessment and monitoring
- 56 Other social protection and risk management

Social Development, Gender, and Inclusion

- 57 Participation and civic engagement
- 58 Conflict prevention and post-conflict reconstruction
- 59 Gender
- 60 Indigenous peoples
- 61 Social analysis and monitoring
- 62 Other social development

- 29 Other accountability/anti-corruption
<http://intranet.worldbank.org/ICR?contentMDK=20224619&sitePK=388672> - 59
- 30 Other public sector governance
<http://intranet.worldbank.org/ICR?contentMDK=20224619&sitePK=388672> - 59
- 90 Managing for Development Results
<http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224613~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html> - 90

Rule of Law

- 31 Access to law and justice
<http://intranet.worldbank.org/ICR?contentMDK=20224614&sitePK=388672> - 31
- 32 Judicial and other dispute resolution mechanisms
<http://intranet.worldbank.org/ICR?contentMDK=20224614&sitePK=388672> - 32
- 33 Law reform
<http://intranet.worldbank.org/ICR?contentMDK=20224614&sitePK=388672> - 33
- 34 Legal institutions for a market economy
<http://intranet.worldbank.org/ICR?contentMDK=20224614&sitePK=388672> - 34
- 35 Legal services
<http://intranet.worldbank.org/ICR?contentMDK=20224614&sitePK=388672> - 35
- 36 Personal and property rights
<http://intranet.worldbank.org/ICR?contentMDK=20224614&sitePK=388672> - 36
- 37 Other rule of law

Financial and Private Sector Development

- 38 Corporate governance
- 39 Infrastructure services for private sector development
- 40 Regulation and competition policy
- 41 Small and medium enterprise support
- 42 Standards and financial reporting
- 43 State enterprise/bank restructuring and privatization
- 44 Other financial and private sector development

Trade and Integration

- 45 Export development and competitiveness
- 46 International financial architecture
- 47 Regional integration
- 48 Technology diffusion
- 49 Trade facilitation and market access
- 50 Other trade and integration

Human Development

- 63 Child health
- 64 Other communicable diseases
- 65 Education for all
- 66 Education for the knowledge economy
- 67 Health system performance
- 68 Nutrition and food security
- 69 Population and reproductive health
- 70 Other human development
- 88 HIV/AIDS
- 89 Non-communicable diseases and injury
<http://intranet.worldbank.org/ICR?contentMDK=20224620&sitePK=388672> - 89

Urban Development

- 71 Access to urban services and housing
- 72 Municipal finance
- 73 Municipal governance and institution building
- 74 Other urban development

Rural Development

- <http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224622~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html>
- 75 Rural markets
<http://intranet.worldbank.org/ICR?contentMDK=20224614&sitePK=388672> - 75
- 76 Rural non-farm income generation
<http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224622~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html> - 76
- 77 Rural policies and institutions
<http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224622~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html> - 77
- 78 Rural services and infrastructure
<http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224622~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html> - 78
- 79 Other rural development

Environment and Natural Resources Management

- 80 Biodiversity
- 81 Climate change
- 82 Environmental policies and institutions
- 83 Land administration and management
- 84 Pollution management and environmental health
- 85 Water resources management
- 86 Other environment and natural resources management

World Bank Sector Codes (OPCS)

Coding Instructions:	Sectors are:	Sectors are not:
<ul style="list-style-type: none"> • Overview http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/intro.htm • Investment lending • Adjustment lending http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/coding_instr/adjlend.htm • Economic and Sector Work • Analytic and Advisory Services javascript:doLnLink('20224598','null','http://web.worldbank.org/servlets/ECR?contentMDK=20224598&contentPK=217180&folderPK=466588&sitePK=388672&callCR=true') • Internal Orders 	<ul style="list-style-type: none"> • high-level grouping of economic activities based on the types of goods or services produced. • UN classification of economic sectors used as point of reference. • mutually exclusive. http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/coding_instr/ESW.htm • used to indicate which part of the economy is supported by the Bank intervention. http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/coding_instr/AAA.htm 	<ul style="list-style-type: none"> • methods of delivery of Bank support, e.g., adjustment loan, financial intermediation loan, distance learning, etc. • reflections of the administrative structure which changes over time. • measures of outcomes, e.g., corporate priorities. http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/coding_instr/ESW.htm
<hr/>		
<h3>Agriculture, Fishing, and Forestry</h3> <p>AB Agricultural extension and research</p> <p>AJ Animal production http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224608~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html - ja</p> <p>AH Crops http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224608~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html - ja</p> <p>AT Forestry http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224608~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html - ja</p> <p>AI Irrigation and drainage http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224608~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html - ja</p> <p>AZ General agriculture, fishing, and forestry</p>	<h3>Information and Communications</h3> <p>CA Information technology http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224604~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html - ca</p> <p>CB Media</p> <p>CD Postal services</p> <p>CT Telecommunications</p> <p>CZ General information and communications</p>	
<h3>Public Administration, Law, and Justice</h3> <p>BC Central government administration</p> <p>BE Compulsory pension and unemployment insurance</p> <p>BG Law and justice</p> <p>BH Sub-national government administration</p> <p>BK Compulsory health finance</p> <p>BZ General public administration http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/INTDELIVERYMGMT/0,,contentMDK:20224603~pagePK:64137152~piPK:64136883~theSitePK:388672,00.html - bz</p>	<h3>Education</h3> <p>EL Adult literacy/non-formal education</p> <p>EC Pre-primary education</p> <p>EP Primary education</p> <p>ES Secondary education</p> <p>ET Tertiary education</p> <p>EV Vocational training</p> <p>EZ General education</p>	
	<h3>Finance</h3> <p>FA Banking</p> <p>FK Capital markets</p> <p>FB Non-compulsory health finance</p> <p>FC Housing finance and real estate markets</p> <p>FD Non-compulsory pensions, insurance, and contractual savings</p> <p>FE Micro and SME finance</p> <p>FG Payment systems, securities clearance, and settlement</p> <p>FZ General finance</p>	

Annex WB 2: How we calculated World Bank contributions to the joint WTO-OECD trade capacity building database

The OECD's suggested calculation of "trade share" proposed that for broader *Trade development* activities (for example those over US\$ 500 000), reporters were invited to estimate the trade share of the activity. If no guidance was available in the project documentation for the calculation of the trade share, reporters were asked to make a broad estimate (i.e. the trade share could be 25%, 50%, 75% or 100%).¹

Rules used by World Bank to calculate the Capacity Building component

Code	Focus	rule
ta	Pure technical assistance	100% trade amount
cu	Customs Project	100% TF amount
it	IT Project	100% TF amount
xf	Export promotion or finance	20%(export div + TF+other)
rd	Road with international vocation	5% trade
tr	Transport sector reform	20% trade
rt	Road + road reform	10% trade
Code	International corridor	40%(TF+reg int)
ga	International gateway (port, airport, and accesses)	20% (trade + reg int)
dl	DPL	5% trade

We also used the following conversion for the TCBDB Purpose Codes and the World Bank OPCS theme classification, when appropriate:

OPCS Code	OPCS Theme classification	TCBDB Purpose Codes
45	Export development and competitiveness	→ 33400
46	International financial architecture	→ 240xx
47	Regional Integration	→ 33130
48	Technology diffusion	→ 25013
49	Trade facilitation and market access	→ 33121
50	Other trade and integration	→

1. Recommendation from the Guidance Note, Scope of data collection, reporting format and procedure, and examples – Trade Related Technical Assistance and Capacity Building (TRTA/CB) 2006 Data Collection.

There were some problems with our contribution to the OECD TCDB which may have distorted the final contribution amounts recorded in the database. The bulk of World Bank's support is in IBRD/loan. It is very difficult to identify precisely what is capacity building or not. Previous WB contributions were over inflated since obvious physical components were included, even roads. The OECD demanded a more realistic response and settled for a procedure where we applied designated ratios to the projects' trade content. For instance, about 50% of the trade component of a pure customs project is capacity building, but for a port project, only 20% of the trade component is capacity building.

After spending some time on this, we employed a procedure of applying some arbitrary coefficients to the trade facilitation component in the World Bank project database. The issue was to isolate the capacity building component (soft) from the other hard components. It was virtually impossible to do otherwise, even if we spent weeks in breaking down projects components. The OECD was comfortable with this approach.

AID FOR TRADE AT A GLANCE 2007

Country & Agency Chapters

