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COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**The EU -- a global partner for development
Speeding up progress towards the Millennium Development Goals**

Aid for Trade monitoring report 2008

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LIST OF ABBREVIATIONS

ACP: African, Caribbean and Pacific States

AfT: Aid for Trade

BPC: Building Productive Capacities

COMESA: Common Market of Eastern and Southern Africa

CRS: Creditor Reporting System

DAC: Development Assistance Committee (of the OECD)

DDA: Doha Development Agenda

EAC: East African Community

ECOWAS: Economic Community of West African States

EDF: European Development Fund

EPA: Economic Partnership Agreement

IDA: International Development Association

IF: Integrated Framework for trade related assistance to LDCs

LDC: Least Developed Country

MS: EU Member States

ODA: Overseas Development Assistance

OECD: Organisation for Economic Cooperation and Development

RIP: Regional Indicative Programme

SADC: Southern African Development Community

SAARC: South Asian Association for Regional Cooperation

TRA: Trade Related Assistance

TRAdj: Trade Related Adjustment

TPR: Trade Policy and Regulation

TRI: Trade Related Infrastructure

UEMOA: Union Economique et Monétaire Ouest-Africaine

WTO: World Trade Organisation

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EXECUTIVE SUMMARY

On 15 October 2007, the EU adopted a joint Aid for Trade Strategy¹, aimed at supporting all developing countries, particularly Least Developed Countries (LDCs), to better integrate into the rules-based world trading system and to use trade more effectively in promoting the overarching objective of eradicating poverty in the context of sustainable development. The present report is the first monitoring exercise after the adoption of this new strategy.

The adoption of the EU Aid for Trade (AfT) Strategy on 15 October 2008 was an important step towards channelling more and better EU support to improve the integration of developing countries into the world trading system and the benefits they gain from it. The EU AfT Strategy is comprehensive: it embraces "classical" Trade Related Assistance (TRA: Trade Policy and Regulation; and Trade Development), as well the other areas stressed by the WTO Aid for Trade Taskforce: Productive Capacity Building; Trade Related Infrastructure; and Trade Related Adjustment. The double focus on more resources and better impact on development objectives is complementary. The Strategy is closely linked to a growing international momentum as evidenced among other things by the specific EU commitment in 2005 to increase its Trade Related Assistance to €2 billion annually by 2010.

The Aid for Trade agenda is now clearly finding its way into the EU development cooperation. Many Member States have recently developed specific national strategies or issued new instructions on Aid for Trade, while several state their intention to do so in the near future or make reference to the joint EU Aid for Trade strategy as their political guidelines.

By the end of 2007, 20 out of the 27 Member States had on-going co-operation activities in the field of Aid for Trade. Romania has for the first time contributed to the WTO Doha Development Agenda Global Trust Fund and three Member States (Hungary, Latvia and Slovakia) specifically indicate that they are starting co-operation in the area of Aid for Trade as from 2008. Austria has for the first time included a chapter on AfT in its three year programme 2007-2009 for Austrian Development Cooperation. The Czech Republic has had a separate budget line for TRA since 2008 and has an Aid for Trade strategy under preparation. Estonia plans to increase its contribution to the Doha Trust Fund and contribute to the Integrated Framework. Poland is to prepare a Road map. Only Bulgaria, Cyprus and Malta are not planning any co-operation activities until 2010.

As regards the specific EU pledge to commit €2 billion annually to Trade Related Assistance by 2010, good progress is being made: Member State resources committed to TRA in 2006 were approximately €640 million, having increased from an average of 358 million between 2001 and 2004. There are however major differences between the contributions of Member States. To reach an annual of €1 billion by 2010, efforts must be sustained, and increase by almost 56%. The Commission remains the largest donor for TRA with € 940 million committed in 2006. Responses to the Monterrey questionnaire did not allow to make any forecasts concerning future spending – in fact only six countries (*BE, CZ, ES, FI, IE and LT*) provided forecasts showing sustained increases between 2007 and 2010, while two (*AU and SK*) forecast to maintain TRA amounts at the same level through this period.

¹ Council Conclusions of 15 October 2007
(http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/misc/96506.pdf).

Total AfT, proxied with Trade Policy and Regulation (TPR); Trade Related Infrastructure (TRI); and Building Productive Capacity (BPC), significantly increased for 2005/06 as compared to previous years and reached €4.715 billion in 2006 for EU Member States and €2.564 billion for the EC. The advance was notable in all three main categories of Aid for Trade.

As in previous years, the collection of data proved very difficult, and therefore the analysis regarding volumes of AfT for this report had to rely on sources other than the responses to the Monterrey Questionnaire, in particular the OECD DAC Creditor Reporting System, and the Doha Development Database². It must be noted, however that also data extracted from these two databases show mutual inconsistencies. Several Member States indicate the need for attention and discussion in order to improve the consistency of the data on activities at country, regional and sectoral level in order to improve monitoring, reporting and evaluation. This will be addressed also at EU level in 2008, in the context of future monitoring of the EU TRA commitments. A working group on reporting is being set up in the context of implementation of the EU AfT Strategy.

The quality agenda of Aid for Trade appears to be advancing somewhat as compared to the previous year, in particular via improved coordination of donor activities. Nine Member States reported having engaged in joint analysis of trade situations with seven having embarked on joint programming and ten having an experience with joint delivery. There is an increased interest in the Integrated Framework for trade related assistance to LDCs, and the EU took a very positive role at the IF pledging conference in Stockholm in September 2007, contributing substantially to the successful replenishment of the Multilateral Trust Fund. However, when it comes to incorporating the results of the IF work in their own co-operation programmes, only seven Member States indicate that they systematically align their TRA/AfT with the IF action matrix and take clear account of the needs identified during the IF process. This indicates room for important improvement.

Eight Member States indicate that they have assisted governments in their efforts to include poverty and gender concerns in trade needs assessments and subsequent action plans, while the EC has done so in about 25% of the countries for which its country delegations responded. Furthermore, a good number of Member States and the EC have assisted governments in their efforts to include environmental, social and economic sustainability concerns into national trade strategies. A slightly smaller number report having helped incorporate sustainability considerations into Aid for Trade programmes. Specific work is foreseen on how to maximise the positive effects on poverty reduction in AfT, and a special working group on these issues is being set up as part of the implementation of the Strategy.

At present, three groups of countries can be distinguished according to their progress in implementing the strategy. A first group made up of six Member States (*DE, FR, NL, SE, FI, UK*) plus the Commission are already well advanced in applying most of the recommendations set out by Council. A second group of six Member States (*AU, BE, DK, ES, IT and SI*) are making progress and implement selected parts of the strategy whereas the remaining countries have only started to introduce features of the Aid strategy. The first group accounts for about 75% of Member State assistance, and, when including the EC, account for 83% of the total EU assistance. The second group represents another 15% of MS contributions so that both groups including the EC represent 93% of EU Aid for Trade. The

² Doha Development Agenda Trade Capacity Building Database.

European Commission is advancing with the implementation of the Aid for Trade strategy, but the pace differs according to regions. For Asia and the ACP countries, the principles set out in the Council conclusions are largely put into operation whereas other regions are less advanced.

Support for regional integration appears to be improving. Eight Member States indicate that they have strengthened their support to the implementation of regional integration strategies developed by regional organisations, along with their capacity to organise coordination and wider stakeholder involvement and to identify and prioritise trade-related needs. At regional level, however, implementation through joint delivery modes was less developed than at national level. This supports the Commission's previously stated view that further work is required in this area.

The joint work at EU level to plan the follow up of the EU AfT Strategy was successfully carried out in the months following its adoption, with the preparation of a rolling implementation matrix and indicators to be used for the future monitoring of progress.

As regards the ACP, mapping of Member States AfT activities and possibilities for stepping up their presence in the different regions is developing into work region by region in synergy with the EC regional programming of the 10th EDF, with a view to define, for each region, complementary actions by EU Member States to accompany those of the 10th EDF. Concern could however be expressed in view of the concentration of activities on African regions, leaving the EC as basically the only EU AfT donor in the Caribbean and Pacific regions. A strong interest for regional funds among the Member States has been noted, and progress in this area is mainly in the hands of the ACP regions.

Finally, it is important to note the significant synergies of the EU AfT agenda with other international agendas (e.g. Aid effectiveness, WTO Global AfT review, UN Financing for Development process, etc). Of particular interest is international monitoring of the development of needs assessments and strategies, the situation as regards the matching of these with resources, the issue of Aid for Trade 'orphans', and the increasing interest for regional approaches to AfT. Successfully acting on these issues will require greater involvement of DC partners.

1. INTRODUCTION

On 15 October 2007, the EU adopted a joint Aid for Trade Strategy³, aimed at supporting all developing countries, particularly Least Developed Countries (LDCs), to better integrate into the rules-based world trading system and to use trade more effectively in promoting the overarching objective of eradicating poverty in the context of sustainable development. The present report is the first monitoring exercise after the adoption of this new strategy.

Aid and trade are twin pillars of the EU development policy. Using a mix of grant aid and innovative trade instruments, the EU has sought to help some of the world's poorest countries to achieve sufficient economic transformation to lift their populations out of poverty. Aid for Trade has thus long been important on the EU agenda, as expressed more recently in the European Development Consensus⁴.

Stepping up Aid for Trade forms part of the Monterrey Commitments to Financing for Development, as well as of the recommendations of the WTO Aid for Trade Task Force. Therefore, EU performance in Aid for Trade is already monitored in these contexts. When adopting the new AfT Strategy, the EU Council decided to draw on the already well-established Monterrey monitoring process and 'review progress in implementing the Strategy in the context of the Monterrey reporting'.

As the Strategy was adopted only in late 2007, this report can not yet evaluate progress in all the areas covered by the strategy. Instead, it provides information on, and assesses, preliminary progress made in implementing the Strategy. It also establishes some of the baseline data against which future progress can be assessed. Progress on EU financial support to Trade Related Assistance is evaluated, however, as specific commitments in this area were made already in 2005 and have been subject to monitoring in earlier Monterrey reports (for definitions of TRA, see box 1). In addition, the report provides a brief assessment on the Global Aid for Trade Review process, and draws some conclusions for future reporting.

2. THE EU AID FOR TRADE STRATEGY

The EU Aid for Trade Strategy adopted by the Council on 15 October 2007 builds on an already strong performance by the European Union in this field, consistent with its role as the largest global provider of overall overseas development assistance (ODA). The Community, whose funds are managed by the Commission, is the world's largest donor of Trade Related Assistance, while individual EU Member States collectively are relatively more active in other Aid for Trade fields, in particular Trade Related Infrastructure and Productive Capacity-Building (See Box 1). Involving the Community and the 27 EU Member States, the Strategy is a joint EU policy initiative to substantially step up the collective EU effort and impact in this area, directly applying the principles of aid effectiveness. It reinforces EU efforts to support all developing countries, in particular the poorest, to better integrate into and benefit from the world trading system.

³ Council Conclusions of 15 October 2007 (http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/misc/96506.pdf).

⁴ Joint Statement by the Council and the representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: "The European Consensus". Brussels, 22 November 2005.

Box 1: Aid for Trade categories

In December 2005, the WTO Ministerial Conference in Hong Kong set up a Task Force to 'operationalise Aid for Trade'. In its 2006, recommendations, this Task Force stated 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'. It specified six groups of activities which it considered to constitute Aid for Trade. The first two of these encompass "classical" "Trade Related Assistance" (TRA). TRA and the other four groups are usually referred to together as "the wider Aid for Trade agenda".

To facilitate coherent reporting, the OECD has then worked to streamline the reporting on the different Aft categories identified by the Task Force. This work is partly ongoing, but the overview below indicates the present state of affairs. It should be noted that financial reporting on Aid for Trade presently draws on two databases, the general OECD/DAC Creditor Reporting System, and the specific "Doha database" set up in the WTO context in 2001 to monitor Trade Related Assistance, which was up to 2006 largely considered equivalent to Aid for Trade. As of next reporting year, monitoring is foreseen to exclusively draw on the CRS database, which has been reformed and completed, *inter alia* by the introduction of new codes and a "trade development" marker, and which will also allow to monitor disbursement.

Trade Related Assistance (TRA):

Trade policy and regulations: trade policy and planning, trade facilitation, regional trade agreements, multilateral trade negotiations, multi sector wholesale/ retail trade and trade promotion. Includes training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interest and identify trade-offs, dispute issues, and institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards.

Trade development: investment promotion, analysis and institutional support for trade in services, business support services and institutions, public-private sector networking, e-commerce, trade finance, trade promotion, market analysis and development. This is largely a subset of building productive capacity, covering specifically its most trade related part.

Wider Aid for Trade agenda: TRA together with the below:

Trade-related infrastructure: physical infrastructure including transport and storage, communications and energy generation and supply.

Building productive capacity: Includes business development and activities aimed at improving the business climate, privatisation, assistance to banking and financial services, agriculture, forestry, fishing, industry, mineral resources and mining, tourism. Includes trade and non-trade related capacity building.

Trade-related adjustment: This code was created by OECD/DAC at the end of 2007. It covers contributions to the government budget to assist with the implementation of recipients own trade reforms and adjustments to trade policy measures by other countries; and assistance to manage shortfalls in the balance of payments due to changes in the world trading environment

Other trade-related needs: Other trade-related support not captured under the categories above.

The EU Aft Strategy commits the EU to channel more resources to Aid for Trade and to deliver the aid more effectively. Additional support for Aid for Trade will be achieved within the substantial increases in total ODA to which the EU is already committed. Whilst implementation of the strategy will imply more resources for Aid for Trade and may include the development of new delivery modes, the strategy does not involve the creation of financial envelopes beyond ODA.

The EU Aid for Trade strategy is based on a number of key principles:

- Aft should be provided to all developing countries, but particularly to the poorest;

- AfT is an element of the broader development policies and linked to MDGs;
- AfT complements but is not a substitute for a successful outcome of the DDA;
- Collective EU delivery of AfT to ACP countries is not dependent on the outcome of the Economic Partnership Agreement (EPA) negotiations with ACP countries;
- AfT should operationalise Paris principles⁵ and the EU Code of Conduct on Complementarity and Division of Labour in Development Policy⁶.

The Strategy contains five sections, addressing in turn: Quantitative ambitions (for Trade Related Assistance and wider Aid for Trade); the Pro-poor focus and quality of assistance; EU capacity to deliver Aid for Trade; specific ACP angles (in the EPA context); and Monitoring and reporting.

As regards volumes, the Strategy sets out the EU approach for collectively delivering on its 2005 commitment to increase its Trade Related Assistance to 2 billion annually by 2010 (1 billion for the EC, 1 billion for the EU Member States). It also commits the EU to increase its efforts in the wider Aid for Trade agenda 'in coherence with overall increases in ODA' but without setting quantitative financial targets. In order to deliver on its financial objectives, the Strategy stresses the need for partner countries to take charge of defining priorities and articulating them in their development strategies. It also defines specific support actions and priorities on the EU side to assist in this respect. These include stepping up policy dialogue in this area; and supporting trade needs assessments and the integration of their results into partner countries development strategies. The Strategy points to the Enhanced Integrated Framework for Trade Related Assistance to LDCs⁷ as one concrete tool to be used more actively for this purpose. Supporting similar processes in non-LDCs, in particular IDA-only countries is also envisaged.

On the quality of assistance, the Strategy stresses the need to achieve results that reduce poverty. It outlines efforts in this respect, including by supporting better participation by community based groups in defining national trade and Aid for Trade strategies and by overall enhancing the understanding of the relevant linkages.

The Strategy furthermore outlines specific efforts to apply the existing international and EU principles for aid effectiveness and division of labour in Aid for Trade. In particular, the EU will take joint action to respond to AfT needs identified through comprehensive needs assessments, and increasingly develop and apply joint implementation modalities, in cooperation with all partners.

Importantly, the Strategy also commits the EU to collectively upgrade AfT at regional level and further strengthen its support for the implementation of regional integration strategies. It commits the EU to step up support to regional organisations capacity to organise coordination

⁵ http://www.oecd.org/document/15/0,2340,en_2649_3236398_35401554_1_1_1_1,00.html

⁶http://www.ec.europa.eu/commission_barroso/michel/Policy/key_documents/docs/COMM_PDF_COM_2007_072_F_EN_ACTE.pdf.

⁷ The Integrated Framework for Trade-related Assistance for Least Developed Countries (the "IF") is a multi-donor programme for the LDCs involving also the World Bank, IMF, UNCTAD, WTO, ITC and UNDP and is aimed at mainstreaming trade into LDC's poverty reduction strategies. Despite its name it is not focussed exclusively on TRA , but can address the wide Aid for Trade agenda.

and stakeholder involvement and to further identify and prioritise trade related needs. The Strategy commits the EU to provide adequate responses to priorities thus defined, using joint delivery mechanisms where possible.

A special section focuses on the ACP needs in the regional integration and EPA context and provides details of EU ambitions in this respect. In particular, it makes an amount 'in the range of 50 %' of the increase in TRA available for needs expressed by the ACP.

Substantial attention is paid to the monitoring of Aid for Trade, by the EU, other donors and developing countries. The EU will participate actively in drawing conclusions from the Global Aid for Trade review and acting on them, in particular with a view to avoiding 'AfT orphans'.

3. FOLLOW UP OF THE STRATEGY

The Council entrusted the Commission, in cooperation with the Member States, with the task of organising technical meetings in order to define a clear work plan and prepare progress reports on the implementation of the Strategy. The Work Plan should specify follow-up activities at the various levels of intervention (national, regional and multilateral) and identify the actors (Commission and Member States) responsible for taking forward these activities.

Following the adoption of the Strategy, the Commission therefore organised a series of technical meetings with EU Member States' experts to specify the follow up activities in an implementation matrix, and to define the indicators to be used for measuring progress. The Matrix is a technical planning, coordination and reporting tool which will be updated regularly. The activities outlined are indicative and will be executed in full compliance with the existing competences, principles and guidelines governing EU development cooperation, notably the Paris Declaration on Aid Effectiveness and the EU code of Conduct on Division of Labour. The present version of the matrix is annexed to this report.

Implementation of the strategy will largely depend on the efforts of EU offices in partner countries, where most of the key activities relating to programming are carried out, such as dialogue with governments and coordination with EU and other donors. Headquarters will mainly perform a 'backstopping' function, although substantial support efforts are envisaged: establishing baselines, helping focus and prioritise work, facilitating EU collaboration, providing technical analysis of experiences and approaches in the various areas of the Strategy, and ensuring information sharing.

In line with the Strategy, specific efforts have been made for the ACP countries, starting with a series of meetings aimed at mapping EU support to the different ACP regions, and exploring opportunities for stepping up the support in the EPA context. These efforts have been complemented with desk studies on EU support for the ACP regions. The next steps foreseen are to pursue this work, region by region, in order to finalise a joint mapping of needs, and to define, for each region, complementary actions by EU Member States to accompany those of the 10th EDF.

4. THE WTO AID FOR TRADE REVIEW

During November 2007, the first WTO Global Aid for Trade Review took place in Geneva, following up the recommendations of the WTO Aid for Trade Task Force. The overall

objectives of the Global Review were to provide an overview of what is and what is not happening in the delivery of Aid for Trade, to create incentives to deliver more and better Aid for Trade and plan forward, and to strengthen mutual accountability by partner countries and donors by strengthening the monitoring and evaluation process. The event drew on an analysis of replies to a set of donor and partner country questionnaires, as well as on impressions gathered during three preparatory and awareness raising regional meetings in Africa, Asia and Latin America. Preparatory work had been carried out by the OECD to organise and collect information on AfT flows, and other issues relevant to the recommendations of the WTO AfT Task Force. For the European Union, this forum represented an opportunity to demonstrate its full commitment to the complete Aid for Trade agenda. The timing of the event allowed the EU to disseminate the EU AfT Strategy which had been adopted just before.

The Global Review concluded that the momentum for Aid for Trade has grown. Beyond awareness raising, better and more prominent links are being made between trade and development. There is broad understanding that not only need the right trade rules be in place and respected, but also the wider supply side issues need addressing in order to create trade and make trade opportunities work for development. Ownership and awareness of the potential of Aid for Trade by partner countries seem to have increased, but relevant national development strategies and plans do not yet pay sufficient attention to trade and its potential contribution to development and poverty reduction. This could be the reason behind the very weak response by partner developing countries to the WTO/OECD questionnaire on AfT. On a more general level, mechanisms for development co-operation exist and need to be applied: donors overall are committed to the Paris Principles, but are still not coordinating enough.

The Commission concluded that the Global review was a useful exercise for awareness raising and for anchoring momentum for increasing Aid for Trade. In terms of improvements, it considered that the future monitoring exercise could be made more analytical in order to condense trends and results. Questionnaires used for information collection would need to be adapted to stay in line with the evolution in policy-making and implementation. A stronger developing country participation in the reporting exercise would be required to ensure a balanced view of the successes and shortcomings of Aid for Trade, from both donor and partner country perspectives. Regional meetings could move from awareness raising events to more technically relevant exercises that also allow for exchanges between practitioners and a greater sub-regional focus. The ongoing efforts to strengthen the statistical basis for future reviews will also contribute.

5. COMMENTS ON THE METHODOLOGY OF THE PRESENT REPORT

The following sections present information drawn from responses to two questionnaires relating to Aid for Trade submitted to EU Member States and the Commission: one prepared by the WTO/OECD for the global Aid for Trade Review of 2007, and one prepared specifically by the Commission in the context of the annual Monterrey reporting and modelled on the EU Aid for Trade Strategy. 17 EU Member States and the Commission responded to the OECD/WTO questionnaire and all 27 Member States submitted responses to the annual Monterrey Questionnaire circulated in late autumn 2007. The Commission also responded to the questionnaire, on the basis of information received from 65 Commission delegations in third countries.

The responses show that Member States monitor their commitments with a different level of detail, and with somewhat different understandings of AfT categories and definitions. This can be explained by the only rather recent consensus found among donors on the exact definition of these categories in the context of the statistical work carried out by the OECD over 2007 (See box 1). An additional complication for coherent reporting is that Member States replied to the questions with a differing degree of detail, and several did not reply to all questions.

Furthermore, many of the Member States' responses to the Monterrey questionnaire contain data that are partly incoherent with other data sources, in particular the OECD Creditor Reporting System⁸, and the Doha Development Database⁹. However, several Member States report being in the process of upgrading their overall reporting systems to align them better with the OECD Creditor Reporting System (CRS). Several indicate the need for further joint work in order to improve the consistency of the data on Aid for Trade activities at country, regional and sectoral level in order to improve monitoring, reporting and evaluation. Such work is now foreseen to take place in 2008, via a working group on reporting, to be set up in the context of implementation of the EU AfT Strategy.

It proved difficult or even impossible for most Member States to provide historical data by AfT category, as well as to provide uniform forecasts by category and geographical distribution. The latter is explained by budgetary rules, the absence of multi-annual planning systems with a sufficient degree of detail, and the inflexibility of reporting systems, which make it difficult to include new AfT categories or to sort according to geographical groups. Only 14 Member States were in a position to provide a geographical breakdown on their commitments and only Finland and Ireland provided a clear forecast for the coming years. Therefore it turned out to be impossible to provide information on the development of Aid for Trade in the coming years by region.

In order to ensure a minimum of coherence in the reporting on the volumes of Aid for Trade, the quantitative analysis in the following section is based almost exclusively on historical data drawn directly from the two existing databases relating to Aid for Trade - the OECD DAC Creditor Reporting System, and the Doha Development database. It must be noted, however, that data extracted from these two databases also show mutual inconsistencies. Furthermore, these databases do not capture support by all Member States, as not all are yet reporting to the OECD/DAC or the WTO. For these countries, the information provided in the questionnaire is used.

6. OVERALL ASSESSMENT OF EU ALIGNMENT WITH THE AfT STRATEGY PRINCIPLES

Overall, Aid for Trade is clearly finding its way into EU development cooperation. Several Member States have recently developed specific national strategies or issued new instructions on Aid for Trade, several state their intention to do so in the near future or make reference to the joint EU Aid for Trade strategy as their political guidelines.

Three groups of Member States can be distinguished according to their progress with implementing main elements of the strategy, such as carrying out trade needs assessments,

⁸ <http://stats.oecd.org/WBOS/Default.aspx?DatasetCode=CRSNEW>

⁹ <http://tcbdb.wto.org/>

mainstreaming trade into development strategies, addressing sustainability concerns or engaging in joint analysis, programming or delivery modes:

A first group made up of the Community and six Member States (*DE, FI, FR, NL, SE, UK*) are already well advanced as regards the application of most of the recommendations set out by Council. A second group of six Member States (*AU, BE, DK, ES, IT, SI*) are making progress and implementing selected parts of the strategy. The remaining countries have only started to introduce features of the Aid for Trade strategy. The first group accounts for about 75% of Member State assistance, and, when including the EC, account for 83% of the total EU assistance. The second group represents another 15% of Member States' contributions so that both groups including the EC represent 93% of EU Aid for Trade (CRS 2001-06 data).

The Commission is also advancing with implementation of the EU Aid for Trade Strategy. The pace differs somewhat from region to region. For Asia and the ACP countries, the principles set out in the Council conclusions are largely applied, in particular as regards the integration of sustainability concerns and donor co-operation, whereas other regions are less advanced.

By the end of 2007, 20 of the 27 Member States had on-going co-operation activities in the field of Aid for Trade. Romania has for the first time contributed to the WTO DDA Global Trust Fund and three Member States (Hungary, Latvia and Slovakia) specifically indicate that they are starting co-operation in the area of Aid for Trade as from 2008. Austria has for the first time included a chapter on AfT in its three-year-programme 2007-2009 for Development Cooperation, announcing that it will take on a small share of EU commitments with regard to Trade Related Assistance. The Czech Republic has had a separate budget line for TRA since the start of 2008 and has an Aid for Trade strategy under preparation. Estonia plans to increase its contribution to the Doha Trust Fund and to contribute to the Integrated Framework. Poland is to prepare a Road map. Only Bulgaria, Cyprus and Malta are not planning any cooperation activities until 2010, while for Portugal AfT is on a declining trend.

7. PROGRESS AS REGARDS VOLUMES OF EU TRA AND AfT

7.1. Present EU commitments for TRA

In 2005 the EU Member States made a collective commitment to increase their Trade Related Assistance to €1 billion annually by the year 2010. In 2007, the Commission estimated that, to be on track for delivering on this commitment, Member States TRA should reach €600 million in 2008. To assess progress, Member States were asked to provide the amounts committed by AfT category and geographical distribution for the year 2006-2007 and a forecast for the years 2008-2010.

Responses to the Monterrey questionnaire indicate that Trade Related Assistance from EU Member States in 2006 totalled at €411 million. However, as explained above, these figures were not considered reliable as fifteen Member States, did not provide their figures, or were unable to break them down according to AfT categories. In contrast, data drawn from the Doha Database provide a figure of €638,93 million for 2006¹⁰. If the figures of the Member States not reporting to the Database are added, the total comes to €641,44 million for 2006.

¹⁰ Belgium has indicated that the data provided in the Monterrey questionnaire are the correct amounts. These have therefore been used for the table.

The same year, the EC committed €40,9 million to TRA. According to these figures, the EU is making good progress towards reaching its targets of €1 + 1 billion in 2010. However, whilst the EC is almost at target, the EU MS still have some way to go: to reach an annual of €1 billion by 2010, MS commitments must increase by almost 56 %. Table 1 below shows EU support for TRA from 2001 to 2006, based on information from the Doha Database.

Table 1: EU support for TRA 2001-2006										
TRA €	2001	2002	2003	2004	2005	2006	Total 2001-2006	% of EU total 2001-2006	2006%	Average
Austria	0.24	0.47	0.58	2.76	6.72	4.95	15.72	0.2	0.3	2.62
Belgium ¹¹	9.89	8.05	51.09	38.64	26.81	23.71	158.20	2.0	1.5	26.37
Bulgaria*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00
Cyprus*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00
Czech Republic*	0.48	0.00	0.00	0.00	0.06	0.03	0.56	0.0	0.0	0.09
Denmark	10.82	4.45	34.93	2.75	0.50	48.34	101.78	1.3	3.1	16.96
Estonia*	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.0	0.0	0.00
Finland	4.09	5.82	9.20	0.00	16.05	30.53	65.68	0.8	1.9	10.95
France	9.65	125.90	85.47	56.90	85.47	147.77	511.17	6.4	9.3	85.19
Germany	90.86	76.52	91.07	68.67	90.89	27.89	445.90	5.6	1.8	74.32
Greece	4.38	6.03	2.37	1.03	0.06	3.52	17.38	0.2	0.2	2.90
Hungary*	0.11	0.00	0.01	0.00	0.00	0.00	0.12	0.0	0.0	0.02
Ireland	0.44	0.40	0.59	0.30	0.69	5.61	8.03	0.1	0.4	1.34
Italy	7.11	4.49	2.68	7.16	1.86	5.73	29.04	0.4	0.4	4.84
Latvia*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00
Lithuania*	0.00	0.00	0.00	0.00	0.00	0.06	0.06	0.0	0.0	0.01
Luxembourg*	0.25	0.05	0.01	0.04	0.04	0.00	0.39	0.0	0.0	0.06
Malta*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00
Netherlands	44.68	54.58	125.27	65.19	76.16	195.24	561.12	7.1	12.3	93.52
Poland*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00
Portugal	1.10	15.32	2.28	1.35	1.90	0.99	22.94	0.3	0.1	3.82

¹¹ Belgium has indicated that the data provided in the Monterrey questionnaire are the correct amounts. Therefore these have been taken for the table.

Romania*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00
Slovakia*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00
Slovenia*	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.0	0.1	0.17
Spain	1.07	2.41	5.20	1.57	6.13	46.92	63.29	0.8	3.0	10.55
Sweden	10.21	4.58	17.31	8.60	31.05	22.07	93.83	1.2	1.4	15.64
United Kingdom	79.95	49.17	76.16	38.56	64.00	77.08	384.92	4.8	4.9	64.15
MS Total	275.34	358.24	504.23	293.52	408.37	641.44	2481.13	31.2	40.5	413.52
EC	912.44	755.00	922.52	958.06	983.46	940.90	5472.38	68.8	59.5	912.06
Grand total	1187.78	1113.24	1426.75	1251.58	1391.83	1582.34	7953.51	100.0	100.0	1325.59
% MS	11	14	20	12	16	26	100			
% EC	17	14	17	18	18	17	100			
% Grand total	15	14	18	16	17	20	100			

(Source: Doha Development Database except for countries marked with * for which the data are drawn from the responses to the Monterrey questionnaire.)

7.2. Present EU commitments for wider Aid for Trade

A good estimate of the full AfT flows (see box 1 above) can be obtained by adding information on commitments to Trade Policy and Regulation (TPR), Productive Capacity Building (PCB) and Trade Related Infrastructure (TRI), using proxies from the CRS database. Applying this methodology, for the year 2006, Aid for Trade can be estimated to €4.715 billion for the fifteen Member States reporting to the CRS database, and to €2.564 billion for the EC. It is interesting to note that the responses to the Monterrey questionnaire only indicate a total of €3.011 billion for all 27 Member States. Table 2 below show EU support for Aid for Trade between 2001 and 2006, based on the information from the CRS Database.

Table 2: EU Aid for Trade from 2001 – 2006. 1000 €

MS	2001	2002	2003	2004	2005	2006	Total	Average	% 2006	% 2001-2006
TPR	42	72	45	48	106	157	470	78	3	2
TRI	1,417	1,366	1,541	1,407	2,166	1,943	9,841	1,640	41	44
BPC	1,955	1,737	1,784	1,872	2,169	2,616	12,132	2,022	55	54
Total	3,414	3,174	3,371	3,327	4,442	4,715	22,443	3,740	100	100
%	15	14	15	15	20	21	100			

EC	2001	2002	2003	2004	2005	2006	Total	Average	% 2006	% 2001-2006
TPR	26	122	191	98	123	328	888	148	13	8
TRI	885	903	1,010	759	1,285	1,313	6,155	1,026	51	52
BPC	831	1,010	702	587	710	923	4,762	794	36	40

Total	1,742	2,035	1,902	1,444	2,118	2,564	11,804	1,967	100	100
%	15	17	16	12	18	22	100			

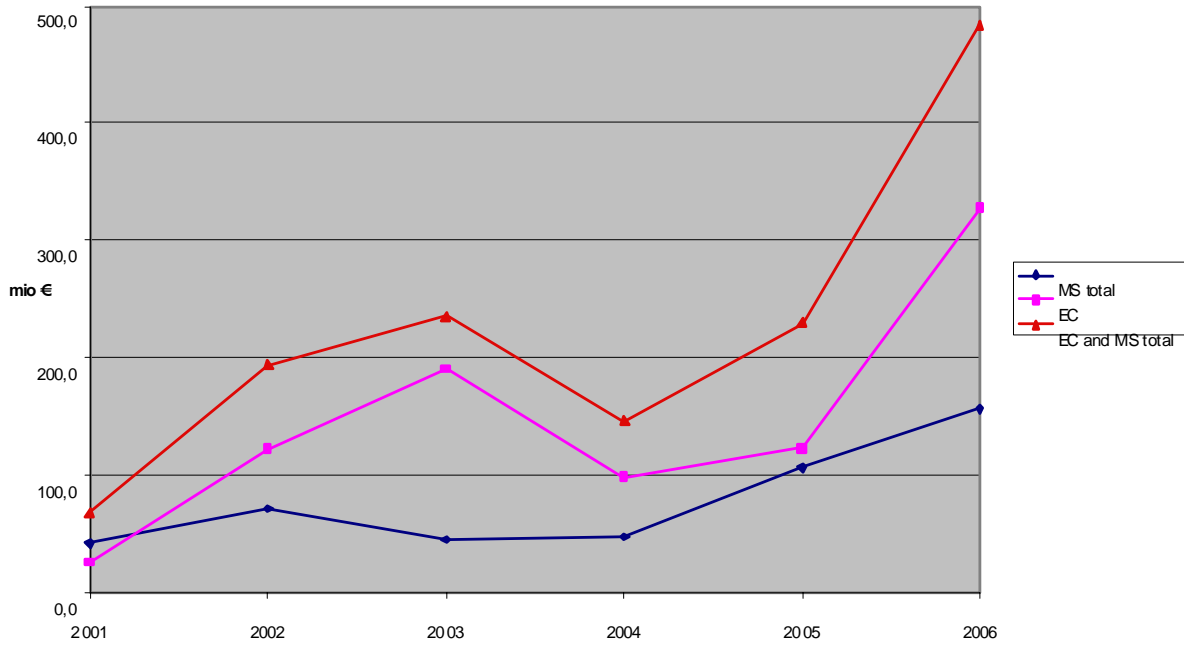
EC & MS	2001	2002	2003	2004	2005	2006	Total	Average	% 2006	% 2001-2006
TPR	68	194	236	146	229	484	1,358	226	7	4
TRI	2,303	2,269	2,551	2,166	3,451	3,255	15,995	2,666	45	47
BPC	2,785	2,747	2,486	2,458	2,879	3,539	16,894	2,816	49	49
Total	5,156	5,210	5,273	4,771	6,560	7,279	34,247	5,708	100	100
%	15	15	15	14	19	21	100			

(Source: OECD-CRS. EU Member States: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom)

In the following three graphs, the evolution of EU (MS and EC) AfT is shown for each of the categories Trade Policy and Regulation (TPR), Trade-Related Infrastructure (TRI) and Building Productive Capacities (BPC, including Trade Development). The data are drawn from the CRS database. The data show an increase in spending for all three categories for 2005/2006 as compared to previous years. Overall figures show a very slow increase from 2001-03 with even a setback in 2004, followed by an important increase by 38% in 2005 and another 11% in 2006.

The increases were most spectacular in Trade Policy and Regulation where 2006 commitments represented three times the average for 2001-04 commitments. This must be taken with some caution, however, because TPR figures from the Doha Database, whilst reaching similar levels in 2006, start at a much higher level in 2001. The biggest donors were the Community (accounting for 65%), the UK and the Netherlands, with 12 and 9% each.

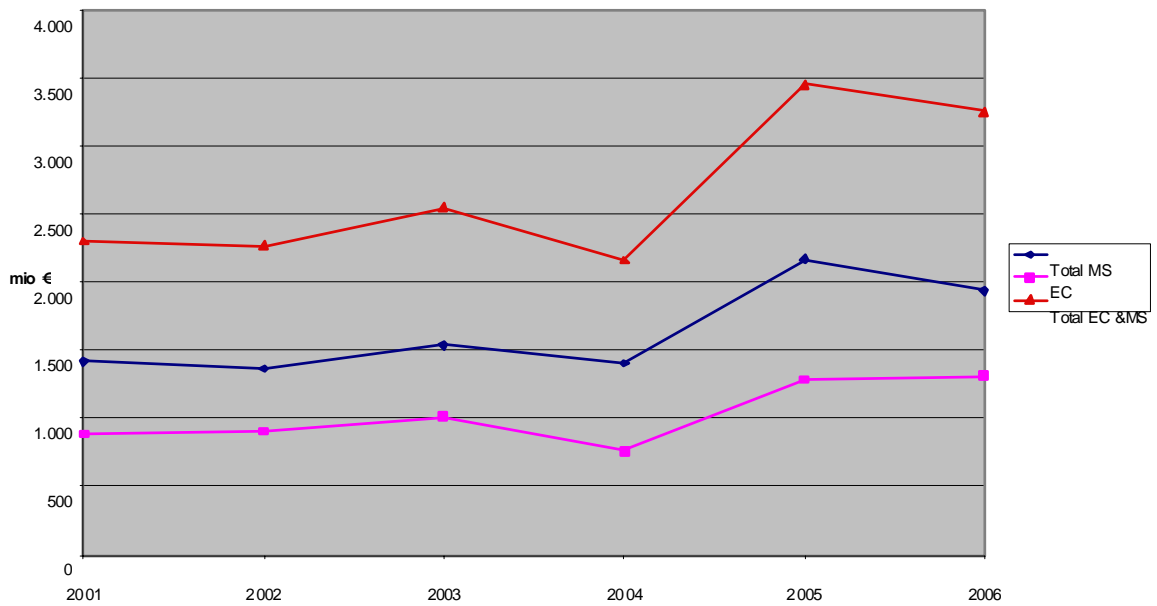
Graph 1: EC and MS Trade Policy and Regulations



(Source: OECD CRS)

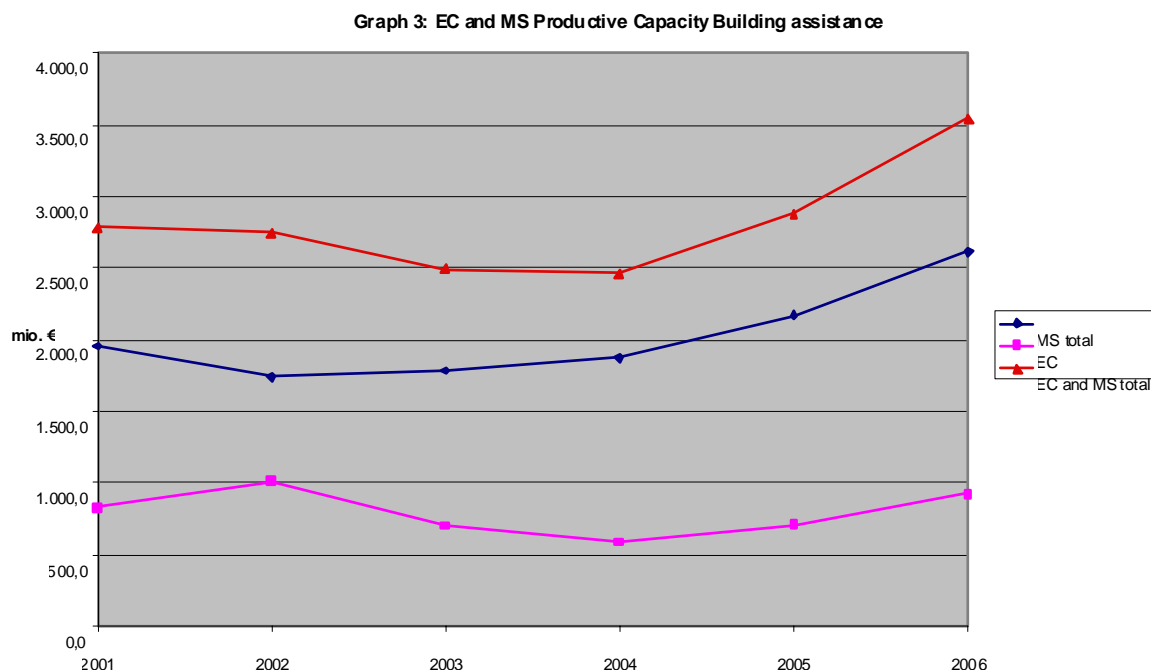
With respect to Trade Related Infrastructure, the 2006 commitments fell slightly compared to 2005 but were still 40% higher than the average for the years 2001-04. Here, the biggest donors are the EC (representing 38%), Germany and France with 18% and 10% respectively.

Graph 2: EC and MS Trade Related Infrastructure



(Source: OECD CRS)

Finally, for Building Productive Capacity (including Trade Development) commitment levels increased by 35% in 2006 compared to the average for 2001-04. Here, the EC represented 28% of all EU commitments, followed by Germany with 18.5% and France, the Netherlands and the United Kingdom all with 11%.



(Source: OECD CRS)

7.3. Geographical distribution of Aft and TRA

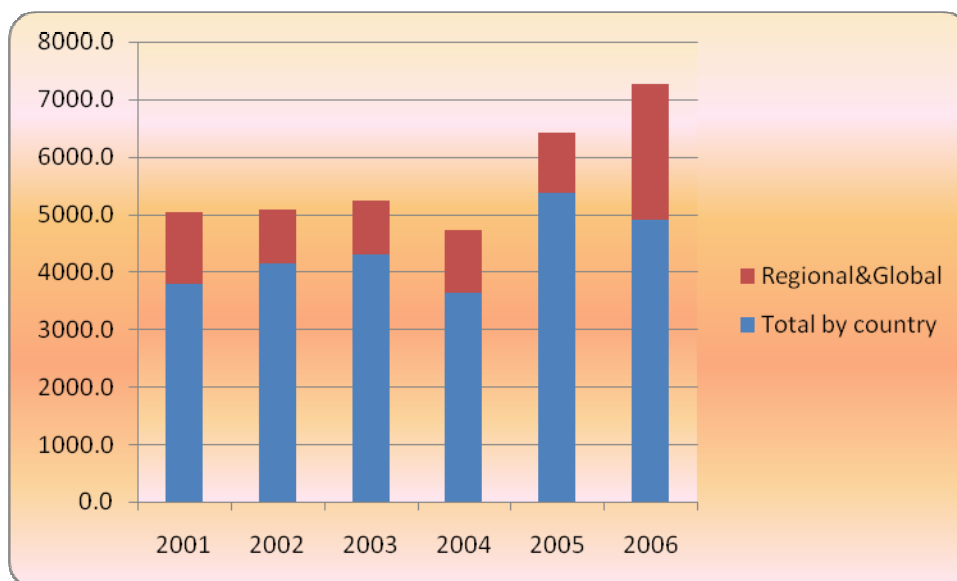
Analysing the geographical distribution of Aid for Trade meets with some difficulties, for two reasons. One is related to the fact that a quite large share of overall Aid for Trade is funded at regional and global level. As shown in Table 3, over the period 2001-2006, the division of the total value of Aid for Trade was 77,4 % (€26.1 billion) for country specific commitments and 22,6 % (€7,6 billion) for regional and global commitments. As illustrated in graph 4, the share for regional and global funding increased considerably in 2006 to 32,5 % whilst the country specific funding decreased to 67,5 %.

Table 3: EU (EC+MS) Aid for Trade: Geographical country-specific commitments and Regional/ Global/ Unspecified commitments 2001- 2006

Aft EC & MS*	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
Total by country	3792.4	4138.0	4294.8	3627.6	5361.7	4905.3	26119.9	77.4	67.5	4353.3
Regional & Global	1238.2	935.4	945.4	1096.0	1066.4	2356.5	7638.0	22.6	32.5	1273.0
Grand Total	5030.5	5073.4	5240.2	4723.7	6428.2	7261.9	33757.9	100.0	100.0	5626.3
Grand Total %	14.9	15.0	15.5	14.0	19.0	21.5	100.0			

Source: OECD CRS Database

- Graph 4: EU Aid for Trade. Country specific and regional/ global commitments 2001-2006



Source: OECD CRS Database

The other difficulty in working with a geographical breakdown is that different donors organise their efforts around different geographical groupings. For the purpose of this report, information has been collected in line with the geographical breakdowns used in the Monterrey Questionnaire, which are those usually applied within EC development cooperation.

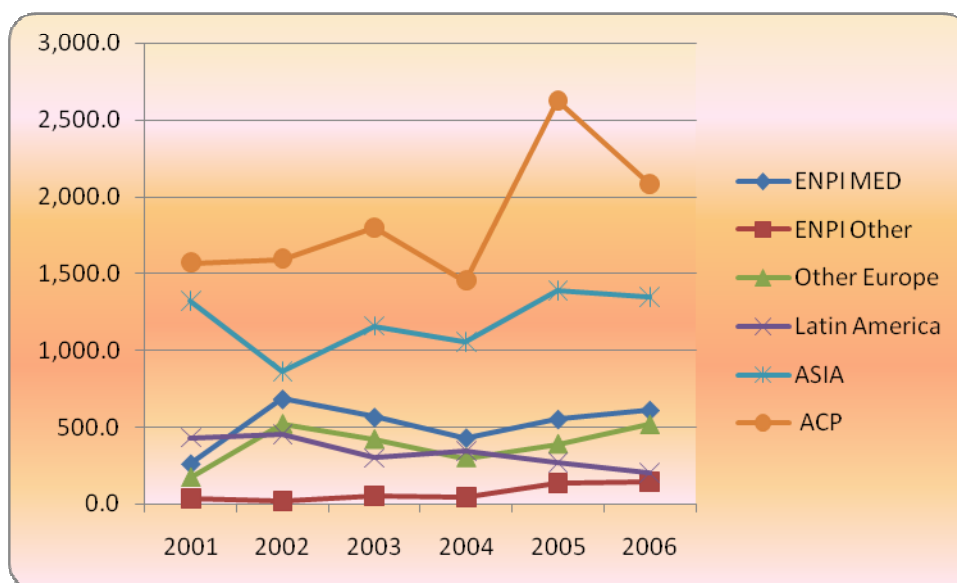
Table 4 and graph 5 below shows the geographical distribution of AfT, according to the CRS Database. The table is constructed using direct commitments to countries, but does not include regional global or non-specified funds (those are shown in Table 3 above). Further detail on regional specificities of EU TRA and AfT are included in Annex 1.

• **Table 4: EU (EC+MS) Aid for Trade: Geographical distribution (country-specific commitments 2001-2006**

AfT EC & MS *	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
West Africa	390.7	412.8	640.9	504.8	855.2	521.4	3325.9	12.7	10.6	554.3
Central Africa	211.1	248.6	158.8	105.9	251.4	388.0	1,363.8	5.2	7.9	227.3
East Africa	522.5	510.7	673.0	558.2	1,023.3	853.3	4,141.0	15.9	17.4	690.2
Southern Africa	273.9	270.2	230.4	113.0	362.4	231.8	1481.6	5.7	4.7	246.9
Caribbean	152.6	88.1	69.4	153.9	108.2	77.8	650.1	2.5	1.6	108.3
Pacific	19.3	62.7	25.3	15.1	27.2	10.7	160.5	0.6	0.2	26.7
ENPI MED	263.1	683.8	565.8	431.8	553.3	611.4	3,109.1	11.9	12.5	518.2
ENPI Other	34.2	19.6	49.0	42.1	130.9	142.7	418.5	1.6	2.9	69.8
Other Europe	172.9	521.4	422.1	301.2	391.2	518.0	2326.9	8.9	10.6	387.8
ICI	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0
Latin America	432.1	456.0	300.9	344.3	270.5	202.5	2006.3	7.7	4.1	334.4
ASIA	1,319.8	864.0	1,159.1	1,057.2	1,388.2	1,347.7	7,136.0	27.3	27.5	1,189.3
Sub Total ACP	1,570.1	1,593.1	1,797.9	1,451.0	2,627.7	2,083.0	11,122.8	42.6	42.5	1,853.8

Grand Total	3,792.4	4,138.0	4,294.8	3,627.6	5,361.7	4,905.3	26,119.9	100.0	100.0	4,353.3
Sub Total ACP %	14.1	14.3	16.2	13.0	23.6	18.7	100.0			
Grand Total %	14.5	15.8	16.4	13.9	20.5	18.8	100.0			

Graph 5: EU (EC+MS) Aid for Trade 2001 -2006: Geographical distribution



Source: OECD CRS Database

Table 5 below shows the geographical distribution of EU Trade Related Assistance, according to the Doha Database. Part 1 of the table is showing the spread across regions, based on direct commitments to countries, and part 2 is showing the division between direct country commitments on the one hand, and regional, global or non-specified funds on the other.

Table 5: EU Trade Related Assistance. Geographical spread of commitments 2001- 2006.

• **Part 1**

TRA EC & MS *	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
West Africa	17.3	82.2	65.8	30.8	52.3	34.9	283.4	6.2	3.7	47.2
Central Africa	9.6	13.3	16.2	7.0	11.8	19.1	77.1	1.7	2.0	12.8
East Africa	118.4	11.6	59.5	56.3	98.4	53.6	397.8	8.6	5.7	66.3
Southern Africa	62.2	16.8	55.2	35.7	59.1	48.9	277.9	6.0	5.2	46.3
Caribbean	48.1	6.1	34.4	28.5	13.4	52.5	183.0	4.0	5.6	30.5
Pacific	0.0	5.2	0.7	2.4	1.2	5.1	14.6	0.3	0.5	2.4
ENPI MED	8.0	287.0	129.7	140.9	158.6	165.9	890.1	19.4	17.8	148.3
ENPI Other	47.0	30.9	35.6	39.3	47.2	54.3	254.4	5.5	5.8	42.4
Other Europe	82.7	147.1	161.6	276.1	190.9	198.3	1056.6	23.0	21.2	176.1
Latin America	26.9	46.0	66.9	71.2	99.2	82.1	392.2	8.5	8.8	65.4
Asia	35.6	174.7	167.2	104.1	72.1	219.0	772.7	16.8	23.5	128.8
Sub Total ACP	255.7	135.2	231.8	160.8	236.2	214.2	1233.8	26.8	22.9	205.6
Grand Total	455.8	820.9	792.8	792.4	804.0	933.8	4599.7	100.0	100.0	766.6
Sub Total ACP %	20.7	11.0	18.8	13.0	19.1	17.4	100.0			
Grand Total %	9.9	17.8	17.2	17.2	17.5	20.3	100.0			

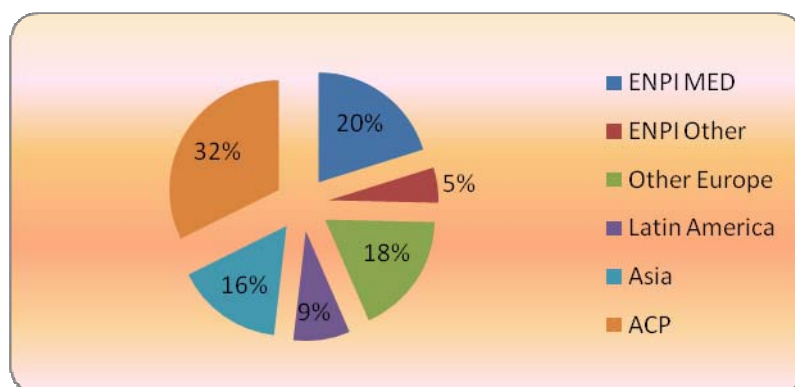
• **Part 2**

TRA EC & MS *	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
Total by country	455.8	820.9	792.8	792.4	804.0	933.8	4599.7	60.3	60.2	766.6
Regional&Global	641.5	287.6	581.9	382.4	522.5	617.8	3033.7	39.7	39.8	505.6
Grand Total	1097.4	1108.5	1374.6	1174.8	1326.6	1551.6	7633.4	100.0	100.0	1272.2
Grand Total %	14.4	14.5	18.0	15.4	17.4	20.3	100.0			

Source: Doha Database

Graph 6 below shows the approximate geographical distribution of EU Trade Related Assistance over 2001-2006. This table includes regional commitments which can be sufficiently clearly linked to a relevant region.

Graph 6. Distribution of EU Trade Related Assistance 2001-2006. Country specific & regional (Excl. Global and unspecified)



7.4. Future financial plans

The EC and MS have increased their overall Aid for Trade between 2001 and 2006, in particular after 2005. 2007 data are not yet available and since most Member States do not have multi-annual programming, or do not have it at a sufficiently disaggregated level, it is impossible to make predictions for the period 2007-2010. According to the donor questionnaires, however, most Member States intend to either increase Aid for Trade or at least to maintain it at the same level for this period. But only five countries (*BE, CZ, ES, FI, IE and LT*) provided a forecast indicating that they will increase the amount of Trade Related Assistance in a sustained way, whilst two others (*AU and SK*) provided forecasts demonstrating a plan to maintain TRA commitments at the same level throughout this period. The Netherlands intend to stay at the present (high) level. Other countries make no indications, however, referring to planning which is on-going or which does not provide such level of detail. Due to the general absence of specific multi-annual programming by the Member States, it is difficult to confirm, on the basis of concrete spending plans, Member State intentions to increase funding for Aid for Trade as a whole, or for specific categories or individual countries and regions.

For Member States TRA to reach an annual of €1 billion by 2010, commitments in 2010 must be €360 million higher than in 2006. In other words efforts must be sustained, and an increase of almost 56 %, is needed.

7.5. Integration of trade aspects into development plans

Five Member States (*CZ, LV, NL, SK and SE*) indicate that they systematically facilitate partners' integration of trade aspects into national development strategies, but only one, NL, has done so in a significant number of countries (36). The EC has promoted integration of trade aspects into national development or poverty reduction strategies in 34 out of the 65 countries for which EC delegations responded to the questionnaire. Eight Member States (*CZ, FI, DE, IT, MT, NL, ES and SE*) do underline the importance of participatory approaches in such work and indicate that a joint policy dialogue is essential. Of the first five Member States, four indicate the importance of involving non state actors, in particular the private sector, consumer organisations, producer organisations and civil society.

7.6. Engagement in the Integrated Framework and similar work in non LDCs

Six Member States (*FI, FR, DE, NL, SE and UK*) indicate that they have participated in the IF diagnostic trade integration studies in a total of nine countries, while the EC has contributed to these processes in 15 countries. According to the IF, seven Member States (*DE, DK, FI, FR, NL, SE, UK*) and the Commission have acted as 'donor facilitator' in a total of 21 countries.

A significant number of 13 Member States (*BE, CZ, DK, FI, FR, DE, HU, IT, LU, NL, SI, ES and UK*) intend to play a more active role once the Enhanced Integrated Framework will become operational, following its recent reform. Several of these countries have also announced plans to increase their financial contributions to the programme. The EU collectively took a very positive role at the IF pledging conference in Stockholm in September 2007, contributing substantially to the successful replenishment of the Multilateral Trust Fund. USD 100 million were pledged, of which the EU will be contributing about two thirds.

When it comes to incorporating the results of the IF work in their own co-operation programmes, however, only seven Member States (*BE, FI, HU, SK, SI, SE and UK*) indicate that they systematically align their TRA/AfT with the country level IF action matrix and take clear account of the needs identified during the IF process. This indicates significant room for improvement in aligning practice with the principles of the EU AfT strategy.

EU engagement in similar processes in non-LDCs appear less well developed, but five MS (*FI, NL, SK, SE and UK*) are active in for instance the Balkan States and in Southern Africa, while the EC has supported trade needs assessments in nine countries and assumed leadership in four of these processes, all in Asian countries. Two Member States report taking on a coordinating role for such processes: Slovakia in Eastern Europe and the United Kingdom in Botswana, Namibia and South Africa. Spain and Germany indicate they would support an approach similar to that of the IF in other countries, in particular for IDA-only countries.

8. PROGRESS AS REGARDS POVERTY FOCUS AND QUALITY OF AfT

8.1. Poverty and gender focus in needs assessments and action plans

Eight Member States (*FI, FR, DE, IT, NL, SK, SE, UK*) indicate that they have assisted governments in their efforts to include poverty and gender concerns in trade needs assessments and subsequent action plans, while the EC has done so in about 25% of the countries for which delegations responded. In most of these cases, community-based organisations have been involved in these mainstreaming efforts. The construction of the questionnaire did not allow for extracting more detail about this topic. This will be addressed in next year's questionnaire, drawing on work by the informal EU AfT working group which is being set up on this matter.

8.2. Addressing sustainability concerns

Ten Member States (*DK, FI, FR, DE, IT, NL, SK, SI, SE and the UK*) indicate that they assisted governments in their efforts to include environmental, social and economic sustainability concerns into national trade strategies. However, only seven MS (*FI, DE, IT, NL, SK, SI, and the UK*) report that they helped incorporate sustainability considerations into Aid for Trade programmes and only five (*IT, NL, SK, SE and UK*) informed that they had supported governments management and follow up of impact assessment. For the EC, nearly 30% of country Delegations report having helped include sustainability concerns in Aid for Trade programmes, whereas seven out of 65 Delegations (11%) had supported government manage and follow up on impact assessments.

8.3. Joint analysis, programming and delivery

In terms of joint analysis and programming, the situation appears to be slowly improving as compared to the year before: Nine Member States (*BE, DK, FI, FR, DE, NL, SK, SE, UK*) reported having been engaged in joint analysis of trade situations while seven (*BE, FR, DE, NL, SK, SE and UK*) had been involved in joint programming. With regard to joint delivery, seven Member States (*BE, DK, FI, DE, FR, NL, SK, SE*) reported having experience of joint sector policy support programmes through either budget support or pool funding. Ten Member States (*AT, BE, FI, FR, DE, NL, SK, SI, ES, SE and UK*) were planning to co-finance Aid for Trade projects or programmes. In the future, the monitoring questionnaire will be

adjusted to better capture the proportion of AfT programmes being designed and delivered through joint efforts.

Member States indicate that they have, for example, co-financed programmes implemented by UNIDO, ITC and the IFC. Furthermore Sweden mentions the joint design of a trade-related trust fund - the World Bank Multi Donor Trust Fund for Trade and Development together with the UK and the World Bank. Spain states its intention to carry out AfT analysis and programming with other donors at the country level in the future, whereas Germany refers to the ever-increasing importance of joint delivery for their programmes. The Commission reports a substantial experience of joint analysis and joint programming ((33% and 28% respectively of delegations responding to the questionnaire), while joint delivery was reported in fewer cases (joint sector support in 16% and co-financing from 23% of responding delegations). Most joint activities are being implemented in ACP countries and Asia.

8.4. Support for Regional integration

A substantial number of eight Member States (*FI, FR, DE, ES, NL, SI, SE and the UK*) state that they strengthened their support for the implementation of regional integration strategies developed by regional organisations, such as SADC and the Comesa Secretariat, EAC, Ecowas Commission, the African Regional Standardisation Organisation (ARSO), as well as business associations at regional level in SAARC and Central America. Furthermore the capacity of those bodies to organise coordination and wider stakeholder involvement and to identify and prioritise trade-related needs was actively supported. At the same time, all EC Delegations with a regional remit also reported that they had provided support to such organisations. However, at regional level, implementation through joint delivery modes was less developed than at national level - only five MS (*FI, DE, NL, SE and the UK*) and 25% of EC Regional Delegations had such experience.

9. ACP SPECIFIC ISSUES

It is estimated that 32% of the EU (EC+MS) TRA commitments over 2001-2006 were provided to the ACP¹². For Aid for Trade, the corresponding figure was 43%¹³.

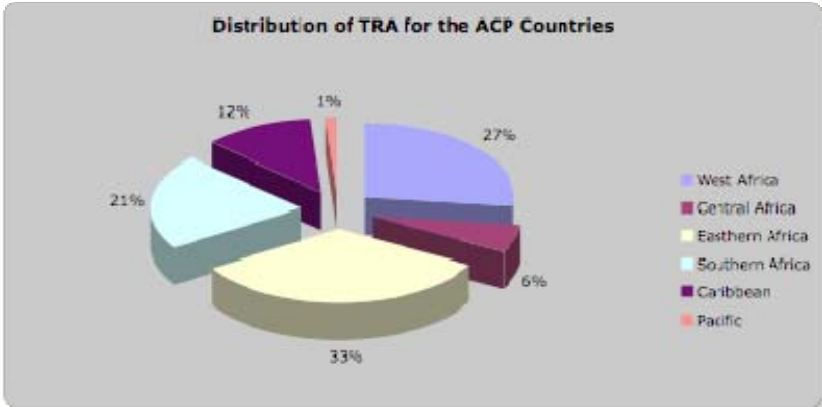
Drawing on the Doha database, graph 7 below shows the regional distribution of EU (EC+MS) TRA for ACP regions over 2001–2005. In descending order of importance the beneficiaries are East Africa, West Africa, Southern Africa, Central Africa, the Caribbean and the Pacific. According to the same source, the main donor is the European Commission with €43 million or 59% of the total amount. The EU Member States account for €378 million or 41%. The main donor is France (14%) followed by the UK (11%), Denmark (4%) and Germany (3%). The Netherlands, Portugal and Belgium each account for 2% followed by Finland and Sweden both with 1%. The overall ratio of TPR to TD is 7 against 93. Resources

¹² As the Doha database does not allow to extract ACP figures directly, the estimation was made by using as proxies a selection of available categories (Sub-Saharan Africa, Oceania, Africa regional and Central and North America, and 50% of America regional of the database (not counting global programmes)).

¹³ As the Doha database does not allow to extract ACP figures directly, the estimation was made by using as proxies a selection of available categories (Sub-Saharan Africa, Oceania, Africa regional and Central and North America, and 50% of America regional of the database (not counting global programmes)).

are usually not evenly spread out over countries within regions but are often concentrated on a few countries only¹⁴.

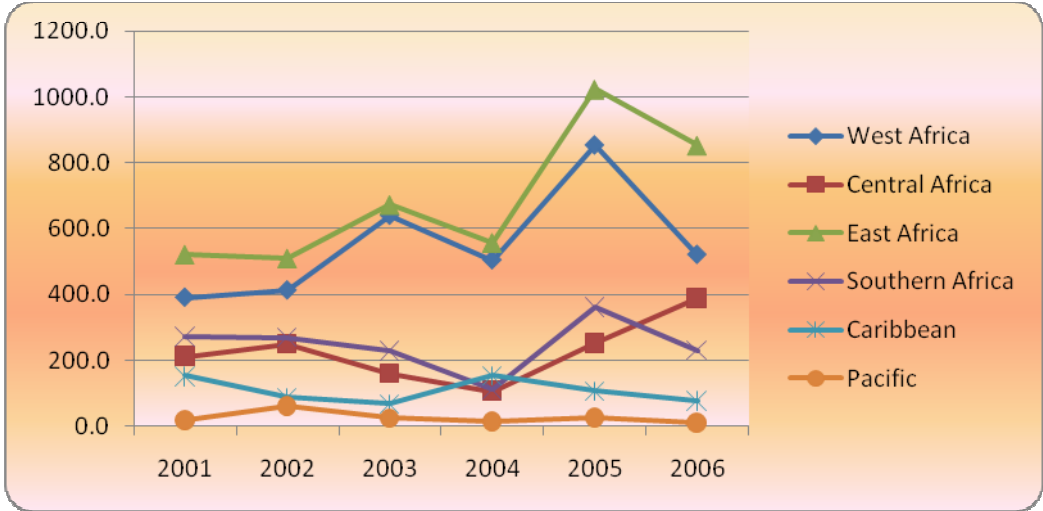
Graph 7. Distribution of EU TRA for ACP regions 2001-2005.



Source: Doha Database

Graph 8 below provides information on the geographical distribution of EU Aid for Trade to the ACP regions.

Graph 8: EU AFT to ACP regions 2001 - 2006



Source: OECD. CRS database

Only three Member States and the EC (in the COMESA region) indicate having already operated through a locally owned Regional Fund. France has participated in the pool fund of CEDEAO, PER-UEMOA. Germany currently contributes to the Project Preparation facility of SADC and considers future engagement in the Pool Fund of ECOWAS. The UK is supporting the development of a COMESA fund. The EC has supported the COMESA fund.

¹⁴ For further information, see Brattinga, Study of 2007: Trade Related Assistance and Aid for Trade provided by the EU Member States and the European Commission to the African- Caribbean- Pacific Countries over the period 2001-2005.

However a significant number of ten Member States (*AT, BE, FI, DE, IE, LU, SK, SI, SE and UK*) are intending to channel their funds through such locally owned mechanisms, or are considering doing so, provided that institutional, managerial and auditing structures are clarified. The EC is envisaging the use of Regional Funds in all six ACP regions and is currently exploring the feasibility of such an option with the regional organisations concerned and other donors, including Member States.

10. AFT CAPACITY AND EXPERTISE AT EU LEVEL

Most Member States and the EC report that they have either scaled up their in-house expertise in the areas of Aid for Trade or they are currently considering doing so.

11. MONITORING

According to the replies received, neither Member States nor the EC have yet given significant support to partner countries on local input to the WTO Global Aid for Trade monitoring. Only Slovakia and the United Kingdom indicate having done so. In the case of the UK this involved funding for the regional Aid for Trade reviews carried out in 2007. Spain indicates that it is not yet in a position to cooperate with partner countries in joint monitoring and evaluation for Aft projects and programmes, but is conscious of the need to do so. The EC has assisted the interim board of the IF in the elaboration of guiding principles for the IF monitoring framework in coherence with Paris Principles.

Annex 1: Details of the geographical distribution of EU (EC+MS) Trade Related Assistance and Aid for Trade by region over the period 2001- 2006.

Source TRA: Doha Development Database

Source Aid for Trade: OECD CRS

Exchange rate used \$ to €

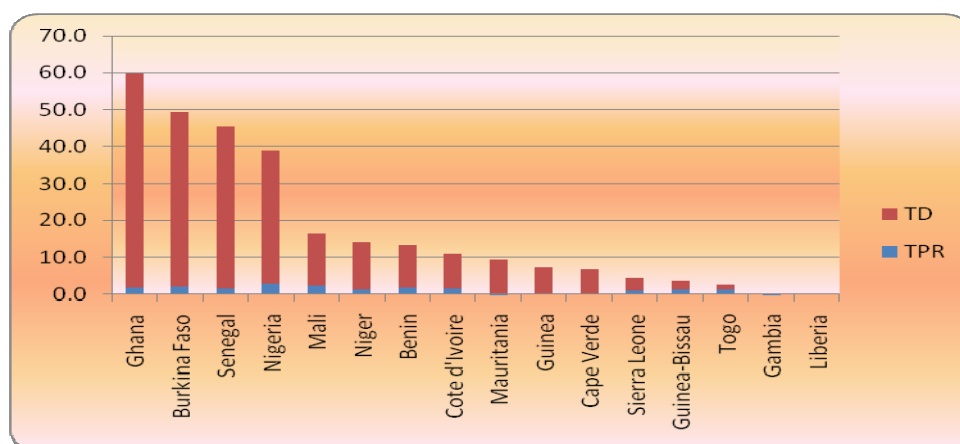
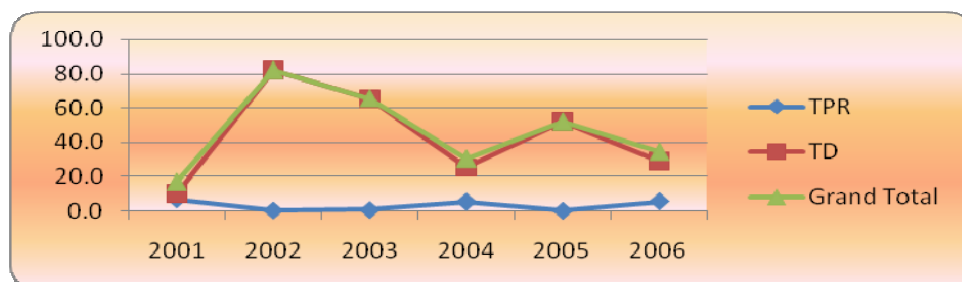
2001	2002	2003	2004	2005	2006
1.117	1.061	0.885	0.805	0.805	0.797

Source www.oanda.com

West Africa

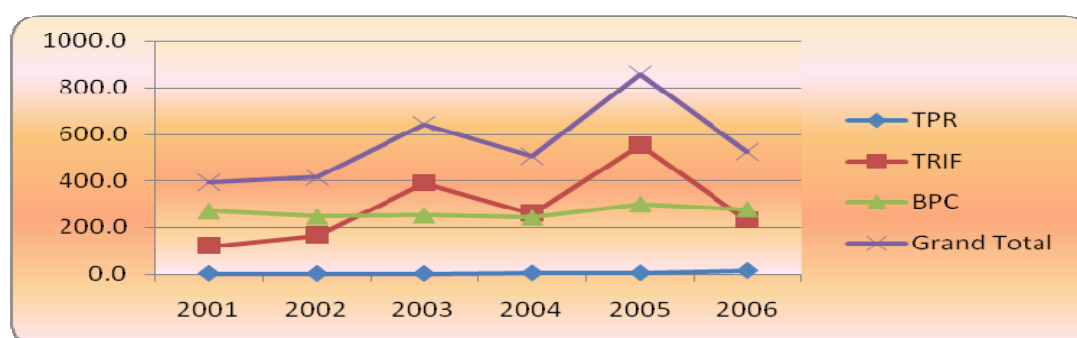
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA EC & MS € million	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
TPR	7.1	0.4	0.7	5.6	0.2	5.9	19.7	7.0	16.8	3.3
TD	10.2	81.9	65.2	25.2	52.1	29.1	263.7	93.0	83.2	44.0
Grand Total	17.3	82.2	65.8	30.8	52.3	34.9	283.4	100.0	100.0	47.2
Grand Total %	6.1	29.0	23.2	10.9	18.4	12.3	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

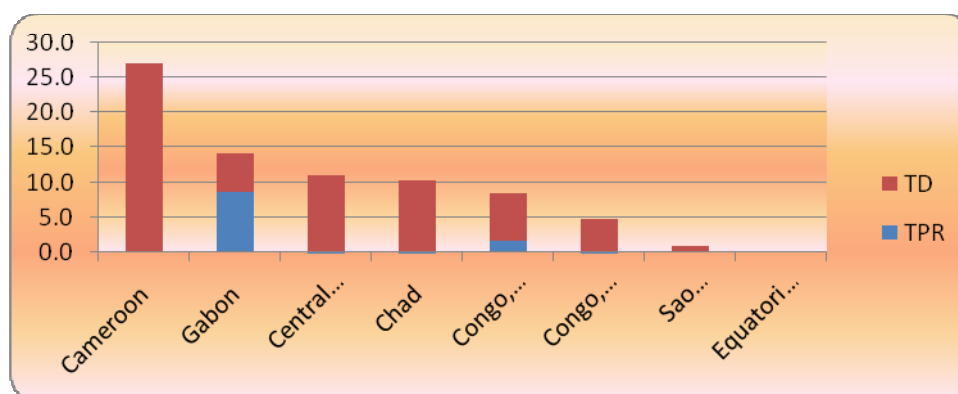
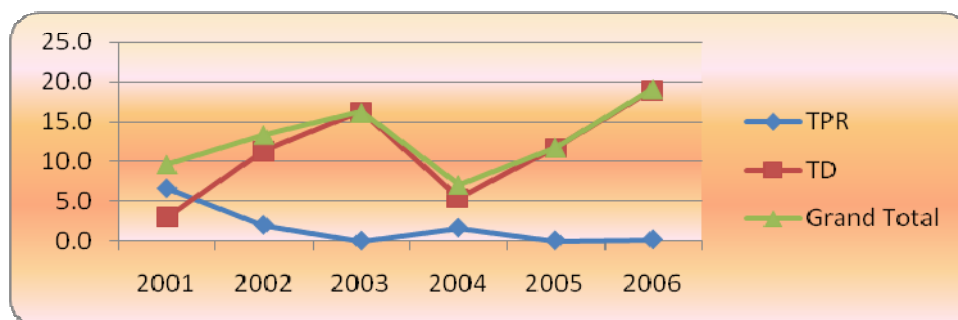
AfT EC & MS €million	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
TPR	2.7	2.1	2.0	4.4	4.5	14.4	30.0	0.9	2.8	5.0
TRIF	119.3	165.8	388.2	259.5	551.1	230.4	1714.3	51.5	44.2	285.7
BPC	268.8	244.9	250.8	240.9	299.6	276.5	1581.5	47.6	53.0	263.6
Grand Total	390.7	412.8	640.9	504.8	855.2	521.4	3325.9	100.0	100.0	554.3
Grand Total %	11.7	12.4	19.3	15.2	25.7	15.7	100.0			



Central Africa

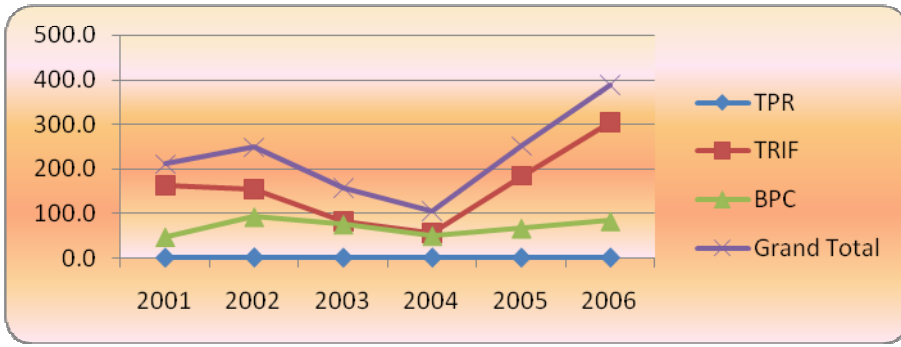
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA EC & MS €million	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
TPR	6.6	2.0	0.0	1.6	0.0	0.2	10.5	13.6	0.9	1.7
TD	3.0	11.3	16.1	5.4	11.7	19.0	66.6	86.4	99.1	11.1
Grand Total	9.6	13.3	16.2	7.0	11.8	19.1	77.1	100.0	100.0	12.8
Grand Total %	12.5	17.3	21.0	9.1	15.3	24.8	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

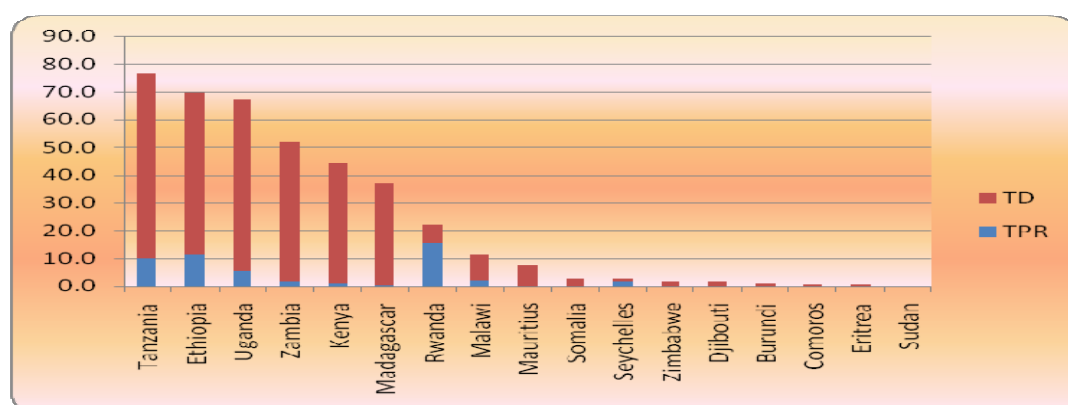
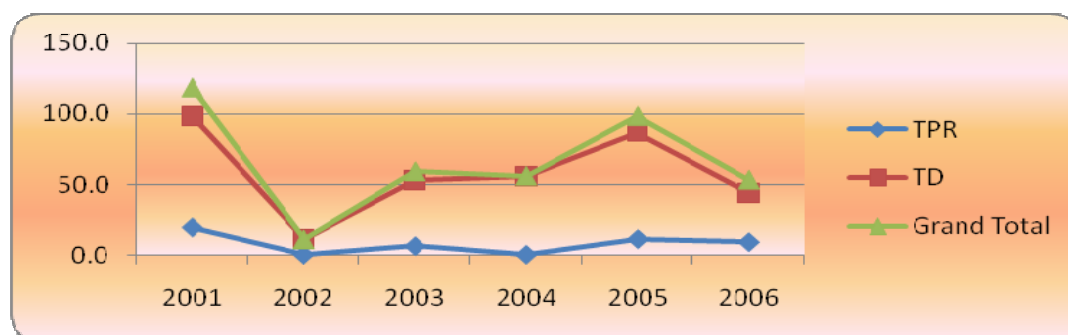
AFT EC & MS €million	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
TPR	0.0	0.4	0.0	0.0	0.0	0.1	0.6	0.0	0.0	0.1
TRIF	164.2	155.5	83.2	56.3	184.7	305.1	948.9	69.6	78.6	158.2
BPC	46.9	92.6	75.6	49.6	66.7	82.9	414.2	30.4	21.4	69.0
Grand Total	211.1	248.6	158.8	105.9	251.4	388.0	1363.8	100.0	100.0	227.3
Grand Total %	15.5	18.2	11.6	7.8	18.4	28.5	100.0			



East Africa

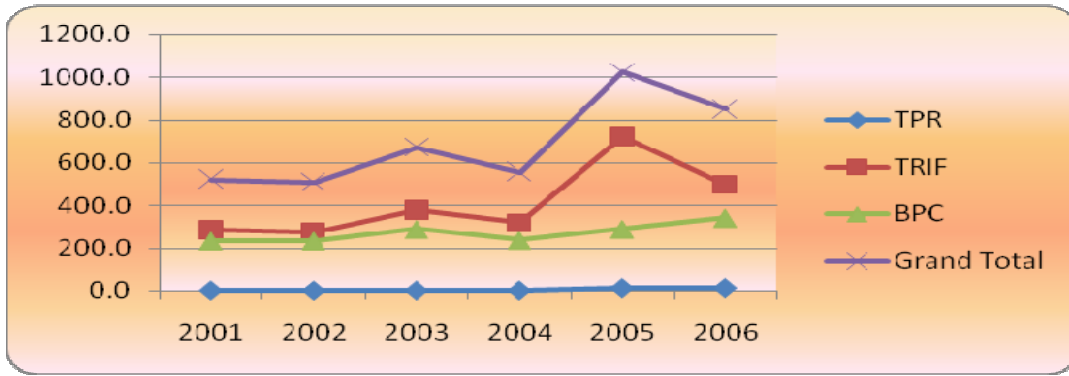
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA EC& MS €million	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
TPR	19.8	0.5	6.6	0.6	11.6	9.4	48.3	12.1	17.5	8.1
TD	98.6	11.1	53.0	55.7	86.9	44.2	349.5	87.9	82.5	58.3
Grand Total	118.4	11.6	59.5	56.3	98.4	53.6	397.8	100.0	100.0	66.3
Grand Total %	29.8	2.9	15.0	14.2	24.7	13.5	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

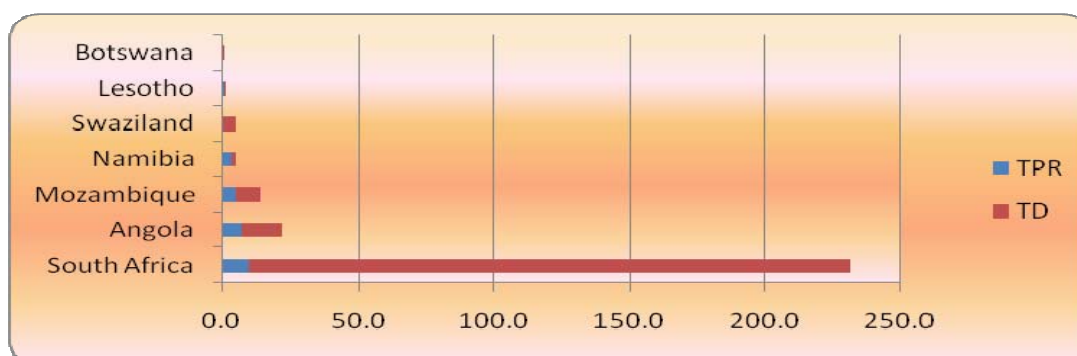
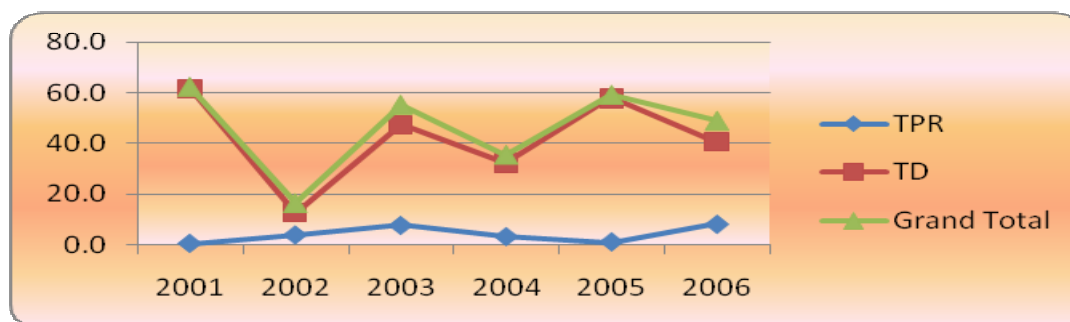
AfT EC& MS €million	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
TPR	1.1	0.5	1.0	1.2	11.8	11.9	27.7	0.7	1.4	4.6
TRIF	288.9	276.5	383.2	321.2	722.1	499.0	2490.9	60.2	58.5	415.1
BPC	232.4	233.7	288.8	235.9	289.3	342.3	1622.4	39.2	40.1	270.4
Grand Total	522.5	510.7	673.0	558.2	1023.3	853.3	4141.0	100.0	100.0	690.2
Grand Total %	12.6	12.3	16.3	13.5	24.7	20.6	100.0			



Southern Africa

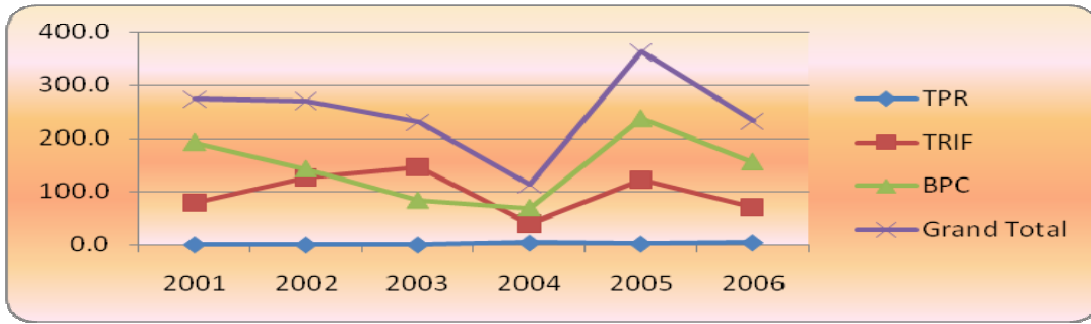
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA EC & MS € million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001-2006	2006%	Average
TPR	0.6	4.0	7.8	3.3	1.2	8.3	25.4	9.1	17.0	4.2
TD	61.6	12.7	47.3	32.3	57.9	40.6	252.5	90.9	83.0	42.1
Grand Total	62.2	16.8	55.2	35.7	59.1	48.9	277.9	100.0	100.0	46.3
Grand Total %	22.4	6.0	19.9	12.8	21.3	17.6	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

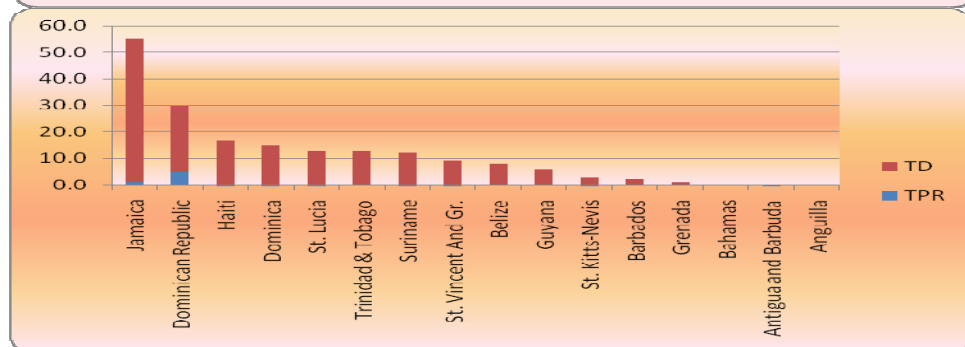
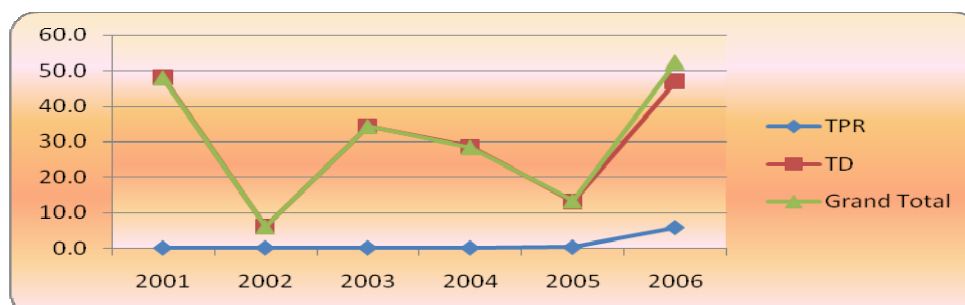
AfT EC & MS € million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001-2006	2006%	Average
TPR	0.4	0.1	0.2	3.9	1.8	4.3	10.7	0.7	1.9	1.8
TRIF	80.4	126.9	147.1	40.4	122.7	71.0	588.5	39.7	30.6	98.1
BPC	193.0	143.2	83.1	68.7	237.9	156.5	882.5	59.6	67.5	147.1
Grand Total	273.9	270.2	230.4	113.0	362.4	231.8	1481.6	100.0	100.0	246.9
Grand Total %	18.5	18.2	15.5	7.6	24.5	15.6	100.0			



Caribbean

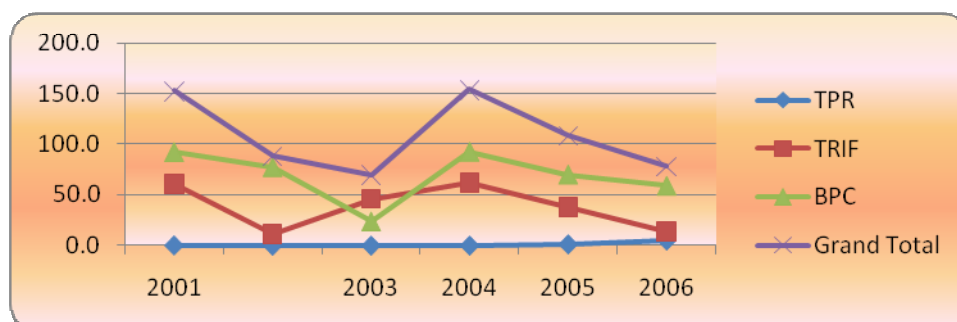
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA EC&MS €million	2001	2002	2003	2004	2005	2006	Grand Total	%2001- 2006	2006%	Average
TPR	0.0	0.0	0.0	0.0	0.2	5.7	6.0	3.3	10.9	1.0
TD	48.1	6.1	34.3	28.5	13.2	46.8	177.0	96.7	89.1	29.5
Grand Total	48.1	6.1	34.4	28.5	13.4	52.5	183.0	100.0	100.0	30.5
Grand Total %	26.3	3.3	18.8	15.6	7.3	28.7	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

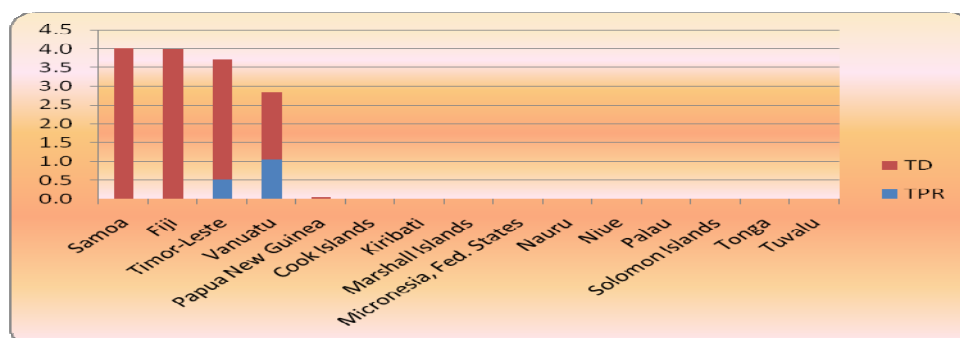
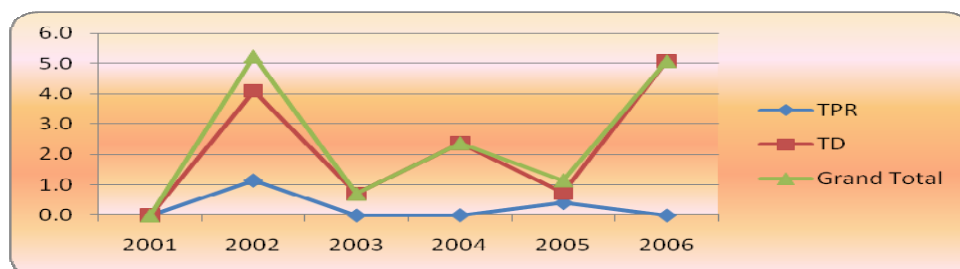
AFT EC&MS € million	2001	2002	2003	2004	2005	2006	Grand Total	%2001- 2006	2006%	Average
TPR	0.3	0.0	0.0	0.0	1.2	5.0	6.5	1.0	6.4	1.1
TRIF	60.5	11.0	45.8	61.7	37.2	14.1	230.4	35.4	18.1	38.4
BPC	91.8	77.1	23.6	92.2	69.8	58.7	413.2	63.6	75.4	68.9
Grand Total	152.6	88.1	69.4	153.9	108.2	77.8	650.1	100.0	100.0	108.3
Grand Total %	23.5	13.6	10.7	23.7	16.7	12.0	100.0			



Pacific

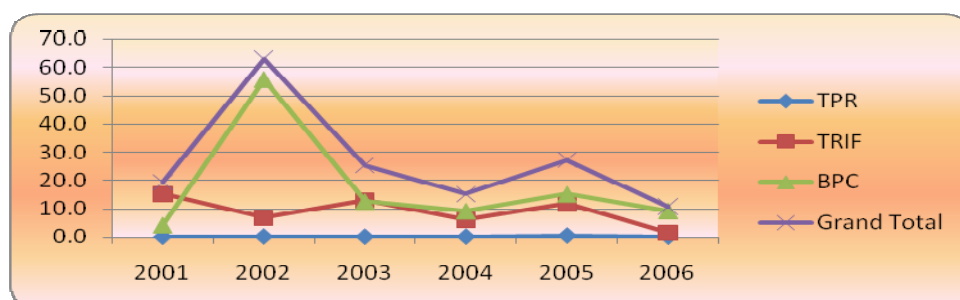
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA EC & MS € million	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
TPR	0.0	1.1	0.0	0.0	0.4	0.0	1.6	10.7	0.0	0.3
TD	0.0	4.1	0.7	2.4	0.7	5.1	13.0	89.3	100.0	2.2
Grand Total	0.0	5.2	0.7	2.4	1.2	5.1	14.6	100.0	100.0	2.4
Grand Total %	0.0	35.9	4.9	16.3	7.9	34.9	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

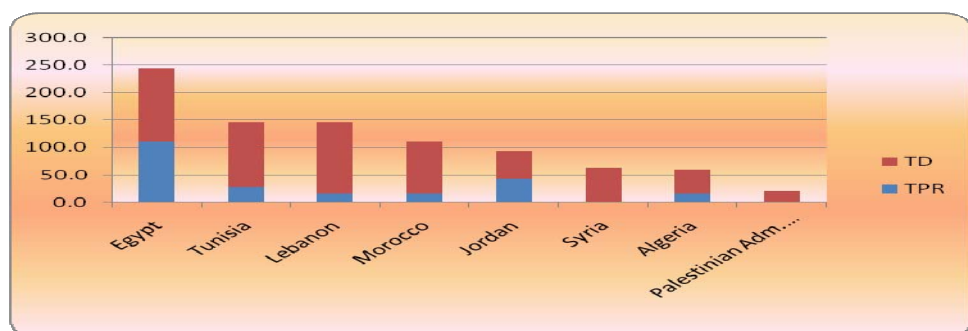
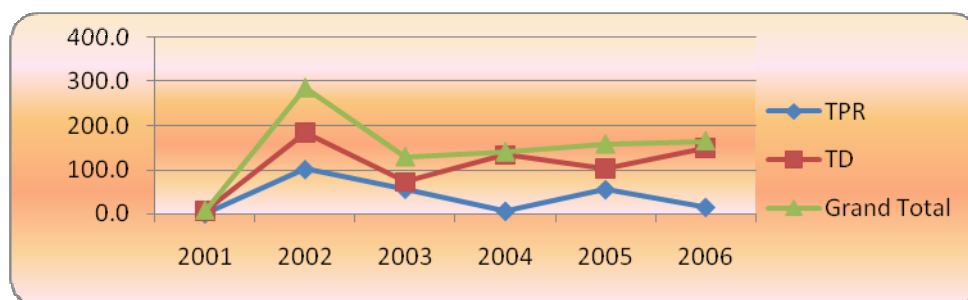
AfT EC & MS € million	2001	2002	2003	2004	2005	2006	Grand Total	%2001-2006	2006%	Average
TPR	0.0	0.1	0.0	0.0	0.4	0.0	0.5	0.3	0.0	0.1
TRIF	15.2	6.9	12.9	6.0	11.7	1.5	54.2	33.8	14.4	9.0
BPC	4.2	55.8	12.5	9.1	15.1	9.2	105.8	65.9	85.6	17.6
Grand Total	19.3	62.7	25.3	15.1	27.2	10.7	160.5	100.0	100.0	26.7
Grand Total %	12.0	39.1	15.8	9.4	17.0	6.7	100.0			



ENPI MED

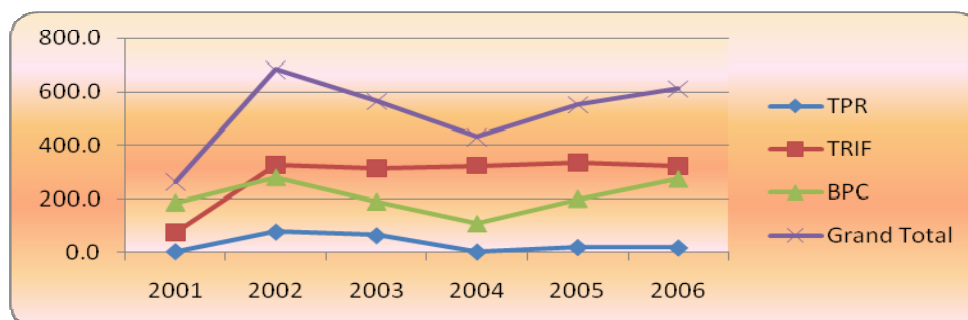
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA EC & MS € million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001-2006	2006%	Average
TPR	0.9	101.6	56.9	6.6	55.7	15.5	237.2	26.7	9.4	39.5
TD	7.0	185.4	72.8	134.2	102.9	150.3	652.8	73.3	90.6	108.8
Grand Total	8.0	287.0	129.7	140.9	158.6	165.9	890.1	100.0	100.0	148.3
Grand Total %	0.9	32.2	14.6	15.8	17.8	18.6	100.0	11.2		



Aid for Trade by EC and MS over the period 2001-2006 (€million)

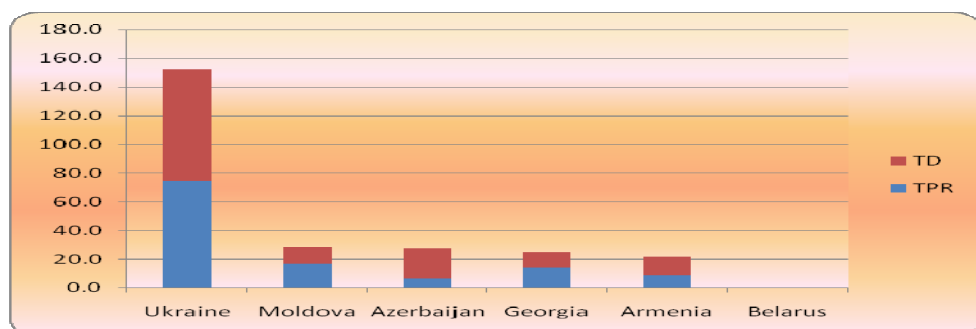
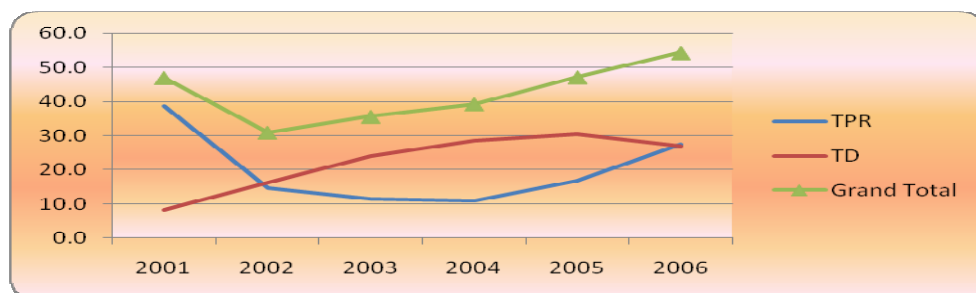
AfT EC&MS € million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001-2006	2006%	Average
TPR	1.9	77.3	63.4	0.8	18.1	16.2	177.7	5.7	2.6	29.6
TRIF	75.1	326.4	313.1	323.8	335.1	321.6	1695.0	54.5	52.6	282.5
BPC	186.1	280.1	189.3	107.2	200.1	273.7	1236.4	39.8	44.8	206.1
Grand Total	263.1	683.8	565.8	431.8	553.3	611.4	3109.1	100.0	100.0	518.2
Grand Total %	8.5	22.0	18.2	13.9	17.8	19.7	100.0			



ENPI Other

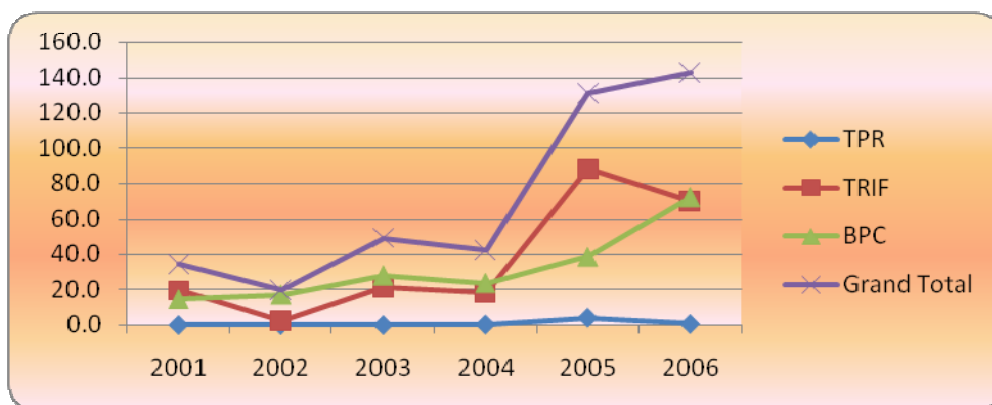
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA EC& MS € million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001-2006	2006 %	Average
TPR	38.7	14.5	11.5	10.9	16.8	27.5	119.9	47.1	50.5	20.0
TD	8.3	16.4	24.1	28.5	30.4	26.9	134.5	52.9	49.5	22.4
Grand Total	47.0	30.9	35.6	39.3	47.2	54.3	254.4	100.0	100.0	42.4
Grand Total %	18.5	12.2	14.0	15.5	18.5	21.4	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

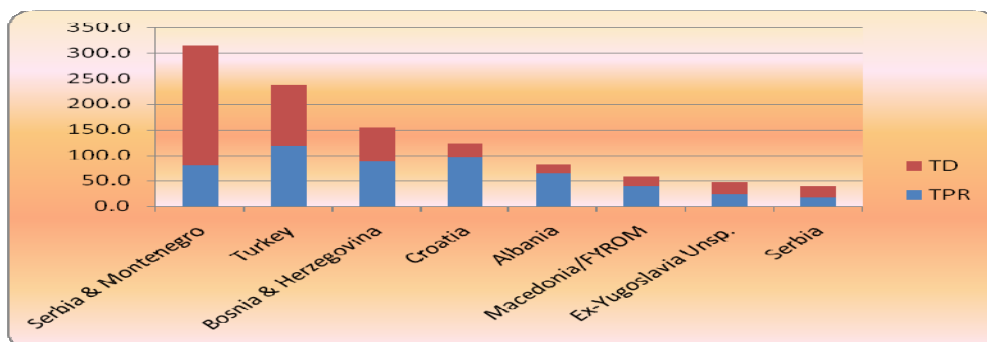
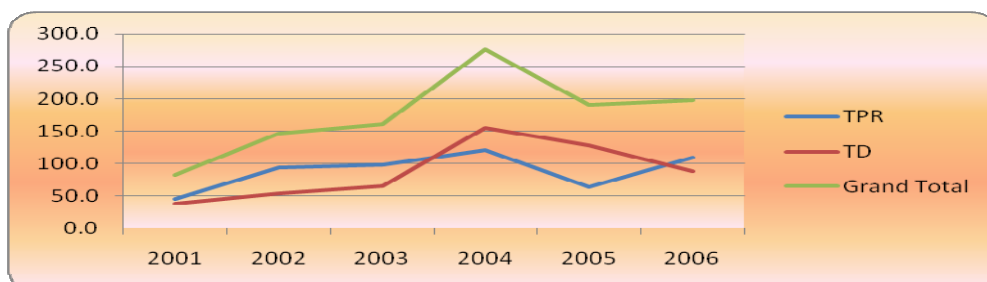
AfT EC& MS €million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001-2006	2006 %	Average
TPR	0.0	0.0	0.0	0.3	4.1	0.6	5.0	1.2	0.4	0.8
TRIF	19.7	2.5	21.1	18.2	88.4	69.9	219.8	52.5	49.0	36.6
BPC	14.5	17.1	27.9	23.6	38.4	72.1	193.7	46.3	50.6	32.3
Grand Total	34.2	19.6	49.0	42.1	130.9	142.7	418.5	100.0	100.0	69.8
Grand Total %	8.2	4.7	11.7	10.1	31.3	34.1	100.0			



Other Europe

Trade related assistance by EC and MS over the period 2001-2006 (€million)

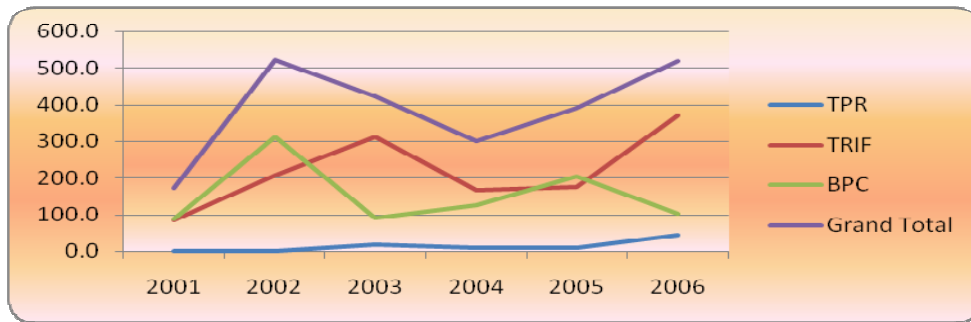
TRA EC&MS € million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001-2006	2006 %	Average
TPR	45.0	93.7	97.1	120.4	62.8	109.6	528.7	50.0	55.3	88.1
TD	37.7	53.4	64.5	155.6	128.0	88.7	527.9	50.0	44.7	88.0
Grand Total	82.7	147.1	161.6	276.1	190.9	198.3	1056.6	100.0	100.0	176.1
Grand Total %	7.8	13.9	15.3	26.1	18.1	18.8	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

AfT EC&MS €million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001-2006	2006 %	Average
TPR	0.2	0.1	17.0	8.9	8.5	45.6	80.3	3.5	8.8	13.4
TRIF	85.3	208.6	313.8	167.1	177.2	371.8	1323.7	56.9	71.8	220.6
BPC	87.4	312.7	91.3	125.2	205.6	100.6	922.9	39.7	19.4	153.8

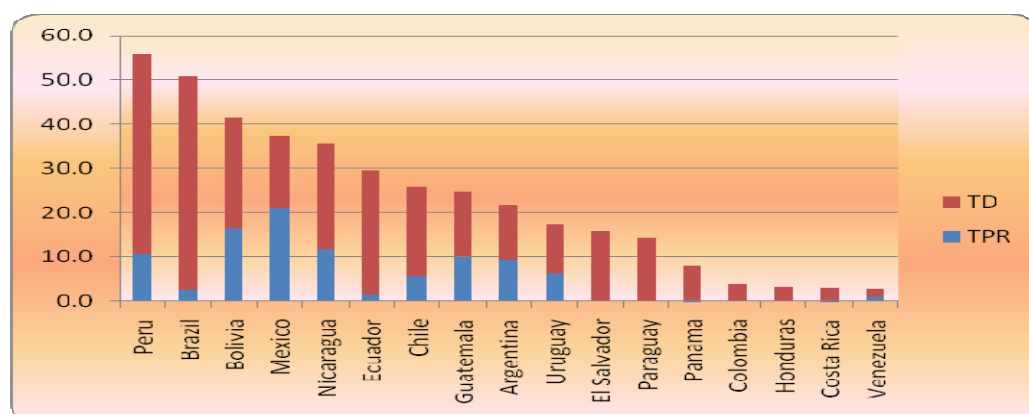
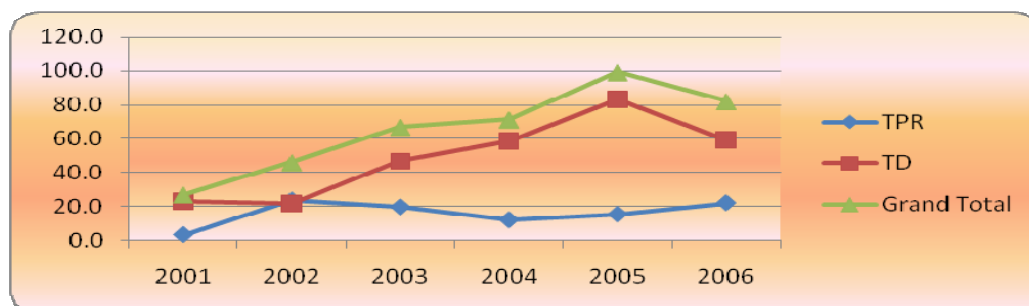
Grand Total	172.9	521.4	422.1	301.2	391.2	518.0	2326.9	100.0	100.0	387.8
Grand Total %	7.4	22.4	18.1	12.9	16.8	22.3	100.0			



Latin America

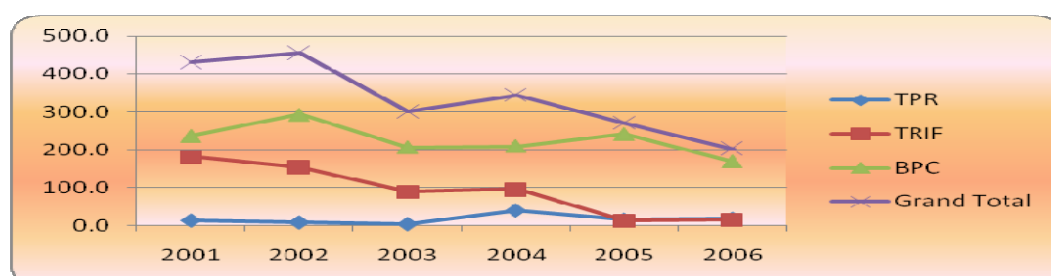
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA EC&MS €million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001- 2006	2006 %	Average
TPR	3.5	24.0	19.9	12.2	15.6	22.4	97.6	24.9	27.3	16.3
TD	23.4	22.0	47.0	59.0	83.6	59.7	294.6	75.1	72.7	49.1
Grand Total	26.9	46.0	66.9	71.2	99.2	82.1	392.2	100.0	100.0	65.4
Grand Total %	6.9	11.7	17.1	18.2	25.3	20.9	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

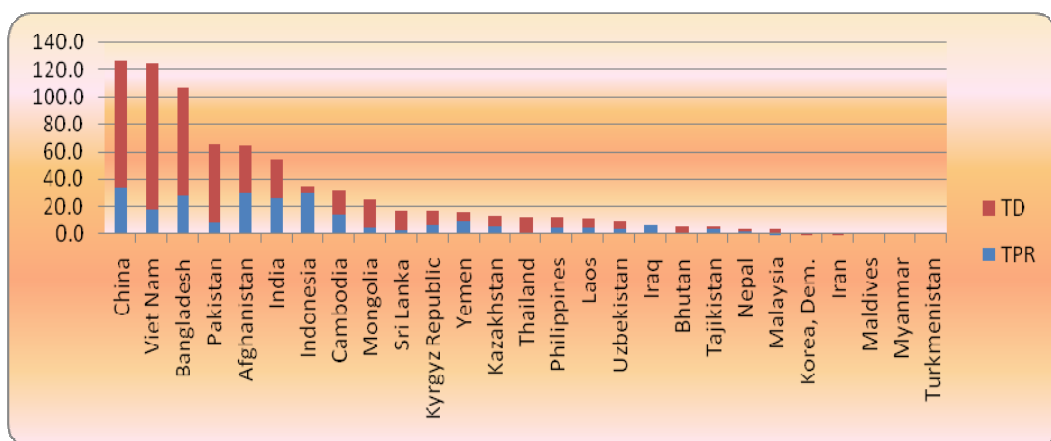
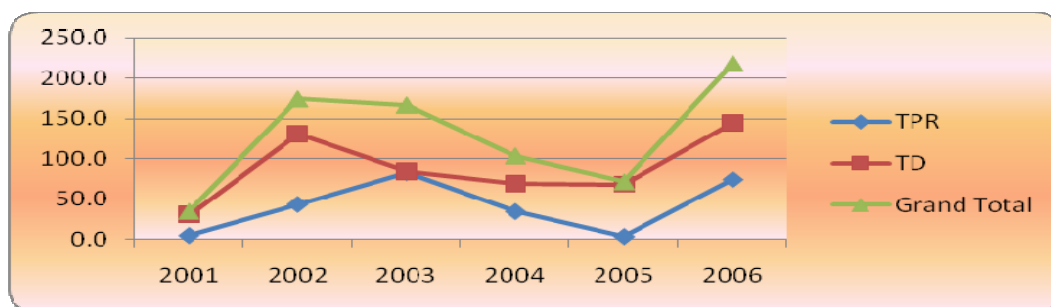
AfT EC&MS € million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001- 2006	2006 %	Average
TPR	14.1	9.2	5.1	39.5	16.0	18.5	102.4	5.1	9.1	17.1
TRIF	181.3	153.9	89.1	95.1	12.8	14.9	547.2	27.3	7.4	91.2
BPC	236.8	292.9	206.6	209.7	241.7	169.1	1356.8	67.6	83.5	226.1
Grand Total	432.1	456.0	300.9	344.3	270.5	202.5	2066.3	100.0	100.0	334.4
Grand Total %	21.5	22.7	15.0	17.2	13.5	10.1	100.0			



Asia

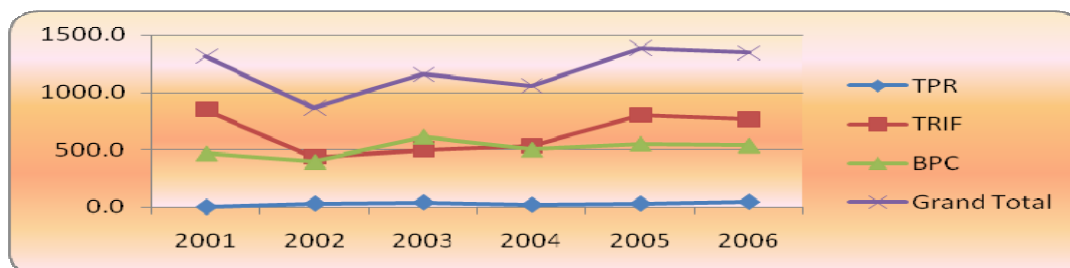
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA EC&MS €million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001- 2006	2006 %	Average
TPR	5.1	43.4	82.8	34.6	3.8	74.1	243.9	31.6	33.8	40.6
TD	30.4	131.3	84.4	69.5	68.3	144.9	528.8	68.4	66.2	88.1
Grand Total	35.6	174.7	167.2	104.1	72.1	219.0	772.7	100.0	100.0	128.8
Grand Total %	4.6	22.6	21.6	13.5	9.3	28.3	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

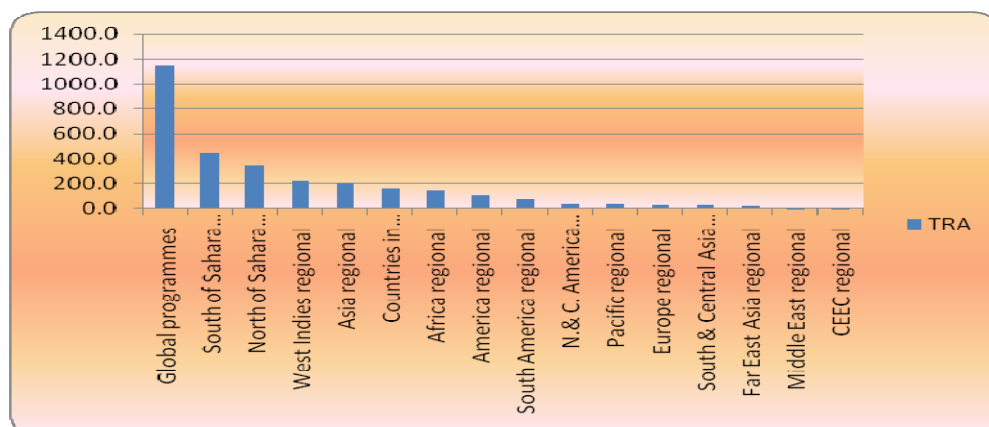
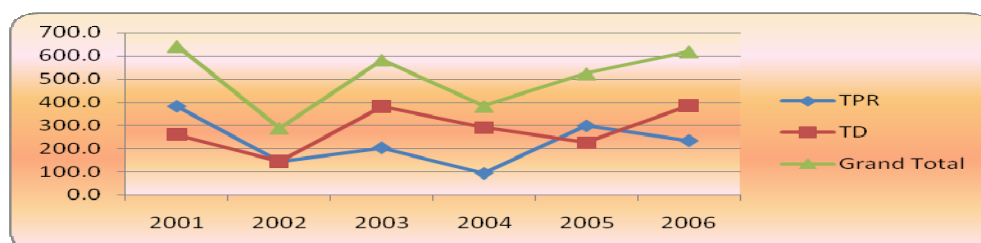
AfT EC&MS €million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001- 2006	2006 %	Average
TPR	3.6	30.5	41.0	19.9	30.0	45.7	170.7	2.4	3.4	28.4
TRIF	847.4	436.3	503.1	534.2	806.5	762.6	3890.1	54.5	56.6	648.3
BPC	468.8	397.3	615.1	503.1	551.6	539.4	3075.3	43.1	40.0	512.5
Grand Total	1319.8	864.0	1159.1	1057.2	1388.2	1347.7	7136.0	100.0	100.0	1189.3
Grand Total %	18.5	12.1	16.2	14.8	19.5	18.9	100.0			



Regional & Global funding

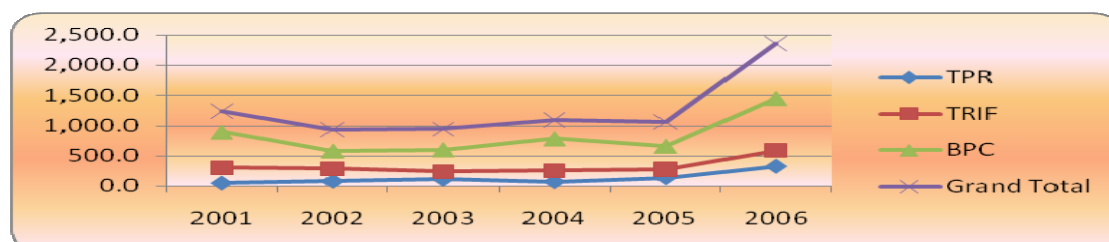
Trade related assistance by EC and MS over the period 2001-2006 (€million)

TRA Regional & Global €million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001-2006	2006 %	Average
TPR	381.0	143.4	202.8	93.0	297.2	233.6	1351.0	44.5	37.8	225.2
TD	260.5	144.2	379.1	289.4	225.3	384.2	1682.8	55.5	62.2	280.5
Grand Total	641.5	287.6	581.9	382.4	522.5	617.8	3033.7	100.0	100.0	505.6
Grand Total %	21.1	9.5	19.2	12.6	17.2	20.4	100.0			



Aid for Trade by EC and MS over the period 2001-2006 (€million)

AfT Regional & Global € million	2001	2002	2003	2004	2005	2006	Grand Total	% 2001-2006	2006 %	Average
TPR	43.5	73.8	106.2	67.2	132.6	322.0	745.3	9.8	13.7	124.2
TRIF	301.4	282.6	236.4	246.3	274.7	585.6	1,927.0	25.2	24.9	321.2
BPC	893.3	579.0	602.8	782.5	659.2	1,448.9	4,965.7	65.0	61.5	827.6
Grand Total	1,238.2	935.4	945.4	1,096.0	1,066.4	2,356.5	7,638.0	100.0	100.0	1,273.0
Grand Total %	16.2	12.2	12.4	14.3	14.0	30.9	100.0			



Annex 2. EU Aid for Trade Strategy. Implementation Matrix. Version of 21 March.

This implementation matrix serves the purpose of operationalising the political commitments contained in Council Conclusions of 15 October 2007 on the EU Strategy on Aid for Trade. Its structure follows largely that of the Conclusions, with the exception that response strategies are dealt with in cluster 1. This matrix is a technical planning, coordination and reporting tool which will be adjusted regularly as the needs arise. The activities outlined are indicative and will be executed in full compliance with existing competences, concepts and guidelines ruling EU development co-operation, notably the Paris declaration on Aid Effectiveness and the EU Code of Conduct on Division of Labour, as well as the EU AfT Strategy itself. For all indicators, baselines need to be established as a first step, and this will largely be done during 2008. Work on indicators will be closely coordinated with parallel work of the OECD.

Cluster 1: Quantitative AfT ambitions within the gradual increase of overall EU Aid.

Activities in this cluster relate to the quantitative commitments made by the Council, in particular striving to increase total EU AfT in coherence with the gradual increases in overall development aid towards the established 2010 and 2015 targets; striving to increase Member States' and EC's collective spending on TRA to €2 billion annually by 2010 (1+1); and promoting an effective response to the wider AfT agenda. This involves making resources available, encouraging and supporting partner countries in their efforts to include AfT in their poverty reduction and national development strategies, implementation plans and national budgets, and responding to identified needs (as outlined in chapter 2 and 3 of October 2007 Council conclusions).

Priority actions	Activities/Milestones	Indicators ¹⁵	Level of catalytic responsibility; lead donor; and time horizon
		Indicators be used to measure progress in reaching the overall quantitative targets: <ul style="list-style-type: none"> • Variations in AfT in relation to variations in total EU ODA • EC + MS TRA commitments level (to be moving towards 1 bn €annually each) • MS TRA commitments level (to be compared to 600 m€) 	

¹⁵ For this cluster, most baselines will be established in the context of the Monterrey reporting in spring 2008, including on the basis of the WTO/OECD and Monterrey Questionnaires. Others will be established via specific studies.

		<p>by end 2008)</p> <ul style="list-style-type: none"> • Increased commitments for Trade development while commitments for Building Productive Capacities (BPC) are not reduced • Funding commitments in wider AfT Agenda: trade related infrastructure; building productive capacities; and trade related adjustment • Regional distribution of TRA and of the increase of TRA. • ACP share of increase of TRA (to be in the order of 50%) • No. of AfT orphans (ie countries which have comprehensive trade needs assessments but whose key AfT priorities remain under-funded. • No. of recipient countries with no or little inclusion of trade and AfT in national strategies 	
<p>1. Enhance efforts in-country to broaden significantly the inclusion of trade and AfT in poverty reduction and national development strategies, via enhanced joint policy dialogue, support for participatory processes and engagement with other donors</p>	<p>1a) COM and MS individually: Ensure all concerned officials at HQ and country level are informed of the AfT strategy and its practical implications (information notes, updates of programming guidance documents, sharing information on case studies, information sessions/trainings, etc.)</p> <p>1b) COM/ MS jointly:</p> <p>- Establish baseline situation as concerns inclusion of Trade and AfT in PRS and national development strategies (study).</p> <p>1c) COM and MS: Exchange information, without duplicating existing systems, on relevant ongoing or upcoming programming processes, in order to identify opportunities for collaboration and synergies, including</p>	<p>1a) Traces of these activities</p> <p>1b) Report available</p> <p>1c)</p> <ul style="list-style-type: none"> • No of countries, in which MS and other donors are involved alongside EC in joint policy dialogue, joint 	<p>1a). HQ; all; starting in 2007</p> <p>1b): HQ; EC; early 2008</p> <p>1c): HQ; ?;</p>

	for strengthening of AfT in the policy and programming dialogue. Target specifically countries /regions with little integration of trade matter into PRS and equivalent	needs assessments. <ul style="list-style-type: none"> No of countries that integrate trade concerns into their development strategies (For ACP, target is 100 % by 2013) 	early 2008
<p>1.1. With regard to LDC's specifically: engage in the enhanced IF (EIF) by:</p> <ul style="list-style-type: none"> lending full support to partner countries efforts to manage the DTIS process (possibly acting as a donor facilitator) taking advantage of the DTIS process to engage in a policy dialogue and define joint programming giving appropriate follow up to identified priorities continuing to take an active role in the decision making process concerning the IF at multilateral level <p>1.2. In non-LDC countries specifically, engage in coordinated, country-led trade needs assessments, response strategies and implementation with other donors (including by possibly acting as lead donor)</p>	<p>1.1 COM and MS:</p> <ul style="list-style-type: none"> Implement EIF related actions in LDC's Share information in country with MS not participating in EIF Support exchanges of experience between IF donor facilitators initiated by the IF Secretariat to ensure coherent message and constant 2-way flow of information Ensure use DTIS action matrix, as incorporated in PRSPs as basis for bilateral TRA/AfT spending <p>1.2 COM and MS jointly:</p> <ul style="list-style-type: none"> identify through a participatory study in non LDC countries, in particular IDA-only countries, whether effective ongoing coordination processes for trade integration and AfT are available to which enhanced EU efforts can be linked; or potential for that; 	<p>1.1</p> <ul style="list-style-type: none"> No of countries with DTIS conducted No of IF countries where EU donors have taken advantage of an IF process to engage in coordination and joint policy dialogue on AfT No. of countries where EU donors are active as IF donor facilitators or support implementation of EIF in country No of countries with DTIS under implementation Amount of funding available (bilateral and multilateral) to support implementation of IF Action matrixes) Active presence of EU donors in IF Board meetings, promoting the common viewpoint of EIF donor constituency Conclusions of evaluations undertaken in the context of the Enhanced IF <p>1.2</p> <ul style="list-style-type: none"> Report available No of non LDC countries with trade needs assessments conducted, etc. (similar to LDC's above, except for last above bullet point) 	<p>1.1: Mainly in-country with HQ providing input and acting as link with Geneva targeted work; ?: as of early 2008</p> <p>1.2: First indent: HQ-led, but with close involvement of in-country offices; UK, SP; ?;</p> <p>other indents: in</p>

<p>1.3. At regional levels, collectively upgrade AfT so as to further strengthen EU support to regional organisations implementation of their regional integration strategies</p> <ul style="list-style-type: none"> • Support ROs capacity to organise coordination and wider stakeholder involvement at the regional level • Assist, where needed, ROs in the further identification and prioritisation of trade-related needs • Support translation of regional needs into national implementation strategies • Provide adequate resources to priorities, using joint delivery mechanisms where possible <p>1.4 With regard to ACPs specifically, work together within the RPTFs and relevant institutions to support the identification of EPA-related needs and coordination of</p>	<p>- propose trade needs assessment studies if not yet existing; and take on lead donor roles if required,</p> <p>- assist in follow up.</p> <p>1.3. COM and MS jointly: As detailed. In 2008, focus these efforts in particular on ACP regions and establish specific partner – donor – coordination mechanisms, including important regional actors (development banks) (See 1.4)</p>	<p>1.3</p> <ul style="list-style-type: none"> • No of regions (ACP and other) with own trade needs assessments and programmes, etc. • Degree of regional priorities reflected/addressed in national implementation strategies • Portion of total AfT and TRA allocated in support of regional integration (data collection to be harmonised – see 4.1c) <p>1.4.</p>	<p>country</p> <p>1.3: HQ, regions (RPTFs) and other regional or in-country coordination processes: ad hoc meetings of EC and MS experts on AfT for ACP countries; 2008</p>
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<p>support activities at regional and national level.</p>	<p>1.4. COM and MS jointly:</p> <p>Work towards the development of regional ACP AfT packages via:</p> <ul style="list-style-type: none"> - mapping of needs and present and planned resources and subsequent gaps analysis, focus on assisting regions in identifying priorities - establishing regional donor networks and lead donors, building as possible on existing functioning processes (RPTFs, donor groups, or the like). Non EU donors to be included. - finalisation of the EC 10th EDF RIPS and pursue work with MS to establish regional AfT packages - MS engage fully in these mechanisms (currently RPTFs) - actively interact with non-EU donors and engage them in joint efforts 	<ul style="list-style-type: none"> • Functioning donor-partner mechanism (including lead donor) in all EPA regions • Mapping done • 10th EDF RIPS approved • No of EU MS engaged in RPTFs and EU coordination • Financing of key regional integration priorities in 10th EDF NIPs and MS national programmes 	<p>1.4 as 1.3 above</p>
<p>2. Step up efforts to prepare joint response strategies relating to AfT for countries and regions until 2010; prepare joint programming; and take joint action to respond to key AfT priorities identified through comprehensive needs assessments, in full compliance to EC Council Conclusions of May 2006.</p>	<p>2. COM and MS:</p> <p>2.1. Within ongoing EU-wide efforts to advance joint programming, step up efforts to address Aid for Trade issues adequately, including by monitoring these dimensions in the present stocktaking of joint programming.</p>	<p>2.1</p> <ul style="list-style-type: none"> • No of countries with joint response strategies which include AfT Response • No of countries with joint programming • Reduced numbers of AFT orphans 	<p>2.1: HQ; ?; Early 2008</p>

	<p>2.2. Collaborate to respond to the key AfT priorities identified through comprehensive needs assessments.</p> <p>2.3 In this context seek to ensure coherent approaches across countries and regions, whilst allowing for the necessary flexibility</p>	<p>2.2</p> <ul style="list-style-type: none"> • "Match" of key AfT priorities identified in needs assessments and contents of AfT programmes in the country 	<p>2.2: In country and regions; lead donor at regional level; 2008</p> <p>2.3: Mainly in-country, but if required also some technical exchanges at HQ level; NL; ?</p>
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Cluster 2: Enhancing the Pro-Poor Focus and Quality of EU AfT: This involves on the one hand collaboration to develop approaches to certain thematic issues, and on the other enhancing appliance of Paris Principles for aid delivery at country and regional level. (as outlined in section 3 of October 2007 Council Conclusions)			
Priority actions	Milestones / Activities	Indicators¹⁶	Level of cooperation; lead donor; and time horizon
<p>Poverty reduction, gender, decent work, sustainability, results based management</p> <p>1. Develop and exchange information regarding best practices on</p> <p style="padding-left: 40px;">a. maximising the poverty reduction impacts of AfT</p> <p style="padding-left: 40px;">b. designing and implementing AfT programmes, in particular on trade development/ productive capacity, in close cooperation and synergy with the private sector.</p> <p style="padding-left: 40px;">c. developing essential cross sector dimensions, including gender and decent work in AfT programmes</p> <p>2. Develop further shared quantitative and qualitative indicators for AfT monitoring</p>	<p>1-3: COM / MS:</p> <p>- Create or use existing Working Groups of interested parties at HQ level to develop approaches – and articulate work fully with on-going efforts at OECD level (such as Povnet, WP on Trade). These may draw on elements coming out of the future monitoring of EPAs and available EC sustainability impact assessments. The Working Groups are informal in character, pursue a clear objective and will be resolved after this objective is met. They will provide information on progress made to the EU Trade and Development Expert Group, to allow all MS to benefit from the work.</p> <p>- Organise experience sharing seminars with delegations and MS actors in the field</p> <p>- Publicise results</p>	<p>1-3</p> <ul style="list-style-type: none"> • Reference documents on AfT, including poverty, gender and decent work aspects, possibly: case studies • Mention of reference docs in publications of other org's) • Shared Guidelines on indicators • Study on EU cooperation approaches to private standards / sustainability claims systems 	<p>1 – 3 Largely HQ; ?; 2008</p> <p>Interested participants for working groups:</p> <p>On "poverty reduction and AfT": Belgium, Slovenia, Sweden, United Kingdom, EC, France</p> <p>On private sector: FIN, FR, SP, UK</p>

¹⁶ For this cluster, baselines will be established during 2008 via work indicated in this matrix undertaken to implement the strategy.

<p>and impact evaluations</p> <p>3. Explore possibilities for developing shared EU approaches to relevant sustainability claims systems, including fair trade</p>	<p>3. Also: Study comparing existing approaches of EC and MS, in liaison with National Contacts for Fair Trade</p>		<p>On "sustainability claims system (EC)</p>
<p>4. Assist governments in their efforts to include poverty and gender issues in trade needs assessments and subsequent action plans, including by supporting active involvement of relevant community-based organisations (CBO)</p> <p>5. Support partner governments capacity and stakeholder's engagement to incorporate sustainability concerns into national trade strategies and AfT programmes, including impact assessment processes</p> <p>6. Support partner countries' use of participatory processes and capacity to establish and manage multistakeholder consultations in needs assessments in designing and implementing trade and AfT</p>	<p>4 – 6:</p> <ul style="list-style-type: none"> - Continue to apply existing guidelines and monitor results, and assess whether adjustments are necessary. - Pay specific attention to these issues when acting as IF donor facilitator or equivalent - Explore possibility of using thematic programmes in support of objective - Explore opportunities of developing synergies between existing PSD instruments and the AfT agenda 	<p>4 - 6</p> <ul style="list-style-type: none"> - Indicators to be established, such as - no of strategic documents (national development plans) being designed with active participation of the private sector and through participatory processes, at large - no of needs assessments involving CBOs - no of National Development Strategies designed with the active participation of the private sector. - degree of use of impact assessment processes - Commission and MS have developed tools to collect this information from the field and report to HQ 	<p>4 – 6: mainly in country level</p>

strategies and programmes			
<p>7. Continue to pursue joint delivery modalities in AfT, including by</p> <ul style="list-style-type: none"> • establishing the conditions under which different joint delivery modalities are appropriate for AfT and exchange best practices; • continuing efforts to identify areas and countries in which there is potential for increasing use of joint delivery modalities and striving to increase significantly its use by 2010, on a voluntary basis and where conditions are met, paying particular attention to co-financing; • exploring further the role that sector and general budget support can play in AfT; 	<p>7. COM and MS jointly:</p> <ul style="list-style-type: none"> - make an inventory of AfT programmes delivered through joint delivery modes and analyse their main modalities - make an inventory of countries with specific potential for similar cooperation, in particular co-financing and pool funds - analyse the role of budget support for AfT in particular as relevant for EPAs - exchange best practices with other donors and with partners on implementation of joint delivery modalities in AfT 	<p>7.</p> <ul style="list-style-type: none"> • Inventories / analysis /reports available • No of countries with integrated implementation plans, including all donors' financed interventions • No of countries in which donor finance interventions with joint delivery modalities (among EU donors and between EU and other donors) • Shares of SWAP, SBS and other joint delivery modes in total AfT (among EU donors and between EU and other donors) 	<p>7: HQ led, drawing on in country input; EC ; 2008</p>

<p>8. Specifically for ACP:</p> <p>Participate on voluntary basis in regionally-owned funding mechanisms such as regional funds</p>	<p>8. COM and MS jointly (linked with activities outlined in cluster 1): step up efforts to make all EPA Regional funds operational, under the leadership of ACP regions</p>	<p>8.</p> <ul style="list-style-type: none"> • Operational EPA Regional Funds in place • Overall volumes of EC contributions to the different EPA Regional funds, once operational; and number of MS/EC providing support to these. • Volume of contributions targeting the strengthening of trade related capacities of the regional organisations 	<p>8: As relevant for MS/EC; leader donors as established for 1.4; 2008</p>
<p>Cluster 3: Increasing EC and Member States donors' capacity to proceed in line with globally agreed aid effectiveness principles</p>			
<p>Priority actions</p>	<p>Activities</p>	<p>Indicators¹⁷</p>	<p>Level of cooperation; donor; and time horizon</p>
<p>1. Exchange of information on EC and MS AFT capacities (where feasible involve other donors)</p>	<p>1. COM and MS: exchange information on capacities</p>	<p>1. Overview of services at HQ level and of representations at country /regional level</p>	<p>1. HQ; ?; 2008</p>

¹⁷ For this cluster, baselines will be established in spring 2008, in context of Monterrey reporting.

<p>2. Exchange information on training events for donor's staff and identify opportunities for opening them to each others officials and for organising joint training</p> <p>3. Develop and exchange information regarding best practices on various issues an approaches, including multilateral issues</p>	<p>2. COM and MS: exchange information and explore possibilities for collaboration, including within framework of existing training programmes</p> <p>3. COM and MS: Organise regularly subject specific exchanges between practitioners of MS and EC (as discussed above)</p> <p>4. MS and EC jointly: Set up and manage dedicated AfT website</p>	<p>2.</p> <ul style="list-style-type: none"> • No of coordinated training activities (HQ and delegations) • No of "external staff" participating in events <p>3. No and quality (on the basis of internal evaluations by participants) of events</p> <p>4. Website and hits</p>	<p>2. HQ and in country; ?; 2008</p> <p>3. HQ and in country; ?; 2008</p> <p>4. HQ ; ?; 2008</p>
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Cluster 4: Monitoring, Reporting, Evaluation and Review (Section 6 and 7 of Council conclusions)			
Priority actions	Activities	Indicators	Level of cooperation, lead donor and time horizon
<p>1. Agree on quantitative and qualitative monitoring and reporting process, in the framework of on-going efforts of OECD/WTO</p>	<p>1a. Report to be prepared yearly for the Spring Development Council, drawing on information collected by the EC and MS through the Monterrey Questionnaire, and info provided by EC and MS to the WTO Global</p>	<p>1a. Annual progress report available</p>	<p>1a. HQ; EC; spring 2008</p>

<p>2. Regular progress reviews; based on these: discussions on results with EC-MS, including in Council</p>	<p>review the year before. Commission to compile report</p> <p>1b. The report will include quantitative AfT data of MS and EC, clustered by country, region and AfT categories. The indicators to be used are outlined in clusters 1- 4 of this implementation matrix; and will be monitored in relation to baselines to be established as outlined in footnotes 1-3. This work will be carried out in parallel to any continued discussions on AfT categories and measuring in OECD context.</p> <p>1c: To enhance the consistency and quality of its own AfT and TRA reporting, the EU will work internally to harmonise its reporting practices. The long term target is to clarify CRS codes as proxies for the AfT categories identified by the WTO Task Force, definitions and the scope of the trade marker, and to work out key terms to be used in the description of projects "trade marked" in order to ensure reliable data availability. The interim target is to agree on a practical EU solution for filtering out category 2 eligible figures from the CRS data. This work will be done in close synergy with developments in the WTO/OECD context. Work will also address reporting on support for regional integration.</p> <p>2. Discussions in Council (and the Trade and Development Exports Group?) as relevant.</p> <p>3. COM and MS:</p> <p>- Where appropriate, include support in ongoing/new programmes for AfT reporting and monitoring and</p>	<p>1b. Report includes quantitative and qualitative data relating to the indicators outlined in Clusters 1- 4 of this matrix It should also include an assessment of the quality of the data.</p> <p>1c.</p> <p>- Guidance for coherent reporting agreed, in particular on trade development and trade related adjustment</p> <p>- N° of MS applying harmonised AfT reporting</p> <p>- key terms agreed for interpretation of trade marker and accounting of eligible contributions</p> <p>(alt: including for use of the CRS trade marker)</p> <p>2. Minutes of relevant meetings</p>	<p>1b HQ; All; Spring</p> <p>1c. HQ: Working group includes: EC, DE, FR, FIN; IR, SP and UK; 2008</p> <p>2. HQ all MS and EC; December 2007 and summer 2008</p>
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<p>3. Engage fully in the WTO Aft reviews and OECD reporting, including support to partner countries in providing locally-owned contributions, including exchange information on present Aft capacities</p> <p>4. Organise technical exchanges on monitoring and evaluation results, and draw joint conclusions on their implications in order to constantly improve and strengthen the effectiveness of the EU's Aft. Implement joint monitoring and evaluation</p>	<p>related capacity-building:</p> <ul style="list-style-type: none"> - request EC lead donor in country to follow up on 2008 Partner Country Questionnaire and assist in compliance and submission to WTO. - Exchange of information to prepare jointly the WTO Reviews. - support a virtual network between EPA regions to share information on best practices in EPA support and regional harmonisation <p>4. COM and MS jointly: Agree on joint monitoring and evaluation missions</p>	<p>3. No. of partner countries supported in replying to recipient country questionnaires</p> <p>4. No of joint M&E missions; including through EIF framework where this is feasible</p>	<p>3. In country;?; from early 2008</p> <p>4. HQ; ? spring 2008</p>
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