

# DONOR QUESTIONNAIRE ON AID FOR TRADE

## 1 WHAT IS YOUR AID FOR TRADE STRATEGY?

**Q1.1 Do you have an operational Aid for Trade strategy? Does it have a “pro-poor” focus? What are its key objectives and delivery/implementation modes?** (Please break down by types of aid: "multilateral contributions" / "trust funds" / "budget support" / "other bilateral")

*Please describe and exemplify. If applicable, feel free to refer to your 2007 response.*

As pointed out in last year’s questionnaire, the “Three Year Programme on Austrian Development Policy 2007-2009” included, for the first time, a chapter on “Aid for trade”. This policy paper is the central planning document of the Austrian Development Cooperation (ADC). In the 2008-2010 version, the draft AfT strategy was refined. Whereas the present questionnaire refers to the wider AfT agenda, the Austrian AfT strategy focuses on “Trade-Related Assistance (TRA)”, comprising Trade Policy & Regulations and Trade Development. The other AfT categories, being part of the wider AfT agenda, follow other strategies/policies. For example, with regard to category “Infrastructure”, energy is one of ADC’s priority sectors. However, activities in the field of energy are defined in a specific ADC energy policy. From the Austrian point of view, AfT forms part of the intervention field “private sector and development”. Complementary to other activities, TRA interventions aim at contributing to poverty reduction, strengthening of the private sector and the creation of jobs. The Austrian Federal Act on Development Cooperation defines “...combating poverty in the developing countries by promoting economic and social development ....” as one of three main objectives of Austrian Development Policy. A pro-poor focus of all interventions has thus to be ensured.

The EU "Aid for Trade Strategy" constitutes the basic framework for ADC with regard to "Trade-Related Assistance". Within TRA, particular attention is given to activities intended to improve the business and investment climate - see CRS code 25010. Moreover, Fair Trade Initiatives are supported, and setting up and strengthening supply chains are further key elements of the AfT strategy. AfT mainstreaming is envisaged, but still at infant stage. With regard to implementation modes, ADC applies a well proven mixture of multilateral contributions, trust funds and bilateral channels.

**Q1.2 If your Aid for Trade Strategy has evolved since 2007, please describe the changes and/or new focuses.**

*Please describe and exemplify.*

Compared to and used on the first statement in the previous Three-Year Programme 2007-2009, the strategy has now become more operational; see Q1.1.

**Q1.3 Have you articulated a set of best practices in the design and/or delivery of Aid for Trade?**

Yes

No

Not sure/Not applicable

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**If yes, what form does this best practice guidance take?**

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*Please describe and exemplify.*

For some areas of AfT, initial examples of best practice have been identified, the "Business Partnership" instrument and the "Investment Compact on South East Europe" being two of them. The Austrian Development Agency (ADA) offers so called "Development and Business Partnerships" to Austrian/European companies on a co-financing basis. Business linkages between companies in Austria and developing countries are thus encouraged and fostered. A recent evaluation has identified the creation and strengthening of supply chains as one particular strength of this instrument. Production of goods, processing, and subsequent trading form the focus of this kind of projects. Some model projects have already been identified and ADC will follow-up on the results of the recent evaluation and increase the focus on supply chain oriented activities.

For several years already, ADC has supported the "Investment Compact on South East Europe (SOE)". This OECD initiative aims at increasing FDI in SOE by improving the investment climate. An Investment Reform Index (IRI) was introduced which allows for comparable benchmarking and monitoring of economic and legislative indicators relevant for investment in the region.

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## 2 HOW MUCH AID FOR TRADE DO YOU PROVIDE?

### *For CRS Reporting Donors*

#### **Q2.1 Does the attached CRS profile accurately reflect the volume of your Aid for Trade?**

Yes

No

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**If no, please provide further details of your Aid for Trade activities for 2006 and 2007.**

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*Please add any data that are missing in their appropriate CRS categories, including those activities that should be considered as Aid for Trade under the category of "Other Trade-related Needs" and describe, if applicable, the method used to identify trade-related activities in the relevant CRS categories. Please also provide any activities that may fall under the new category of "Trade-related Adjustment" for 2006.*

Yes, the attached CRS profile on 2006-2007 commitments has been checked and is correct.

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### *For non-CRS Reporting Donors*

#### **Q2.1 How much Aid for Trade did you provide in each of 2006 and 2007? Please also indicate the volume as percentage share of your total ODA.**

*Please use the WTO Task Force definition and include estimates of the value of in-kind Aid for Trade such as technical cooperation programmes.*

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### *For All Donor Agencies*

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**Q2.2 Do you have indicative forward spending plans that include estimates on Aid for Trade?**

Yes

No

Not sure/Not applicable

**If yes, please provide details of your indicative forward Aid for Trade spending plan.**

*Please delineate the plan per Aid for Trade category.*

Due to recent parliamentary elections and the formation of a new government, budgetary negotiations for 2009 and 2010 will only start in February 2009. For that reason, there is no budget at the moment for programmable aid. For the purpose of this questionnaire, Austria has, instead of providing “forward spending plans”, to rely – as a working hypothesis – on disbursements comparable to those for 2007, except for sector 210 (transport and storage), whose impressive increase is due to a number of soft loan projects, which by their nature are not predictable.

*For Donors who had made Aid for Trade pledges*

**Q2.3 Please describe how you are meeting your pledges? And how much progress in delivering your final pledges do you expect to have made in 2008 and 2009?**

Please provide details and evidence in accordance with your accountability mechanism.

*For Multilateral Donors*

**Q2.4 Please describe how funding for your Aid for Trade activities is evolving**  
[e.g. share of activities funded from your agency's core (regular budget) vs. non-core (earmarked) resources, including multi-donor funds; likely trends in these categories].

Please describe.

***Please feel free to provide any other relevant information in relation to the volume of your Aid for Trade.***

There is no explicitly earmarked quota for Aid for Trade as most spending targets of ADC are linked to partner countries and/or partner regions and not to sectors or fields of intervention.

### 3 IMPLEMENTATION: HOW ARE YOU DELIVERING AID FOR TRADE?

#### Mainstreaming and Ownership

##### Q3.1 What measures have you undertaken to mainstream Aid for Trade in your overall assistance strategy?

*Please describe and exemplify.*

In our view, the aim of mainstreaming AfT throughout the overall assistance strategy conflicts – to a certain extent – with the principles of harmonisation and Division of Labour (DoL). DoL leads to fewer sectors of cooperation per donor and per country, and thus to fewer entry points for AfT activities. Some country assistance strategies focus exclusively on two or three sectors only, like conflict prevention, good governance and/or water. AfT mainstreaming will be difficult under such assistance strategies.

##### Q3.2 In how many of the partner countries you support, are Aid for Trade concerns an important part of your policy dialogue with them (based on your best estimate)?

- |   |                                     |                                     |                                    |  |
|---|-------------------------------------|-------------------------------------|------------------------------------|--|
| <input checked="" type="checkbox"/> less than 25% | <input type="checkbox"/> 25% to 50% | <input type="checkbox"/> 50% to 75% | <input type="checkbox"/> above 75% | <input type="checkbox"/> Not sure / Not applicable |
|---|-------------------------------------|-------------------------------------|------------------------------------|--|

##### Q3.3 How many of your country assistance strategies contain trade or Aid for Trade elements (based on your best estimate)?

- |   |                                     |                                     |                                    |  |
|---|-------------------------------------|-------------------------------------|------------------------------------|--|
| <input checked="" type="checkbox"/> less than 25% | <input type="checkbox"/> 25% to 50% | <input type="checkbox"/> 50% to 75% | <input type="checkbox"/> above 75% | <input type="checkbox"/> Not sure / Not applicable |
|---|-------------------------------------|-------------------------------------|------------------------------------|--|

##### Q3.4 Has demand for Aid for Trade increased from partner countries since 2005?

- |  |                                    |   |                                   |   |
|--|------------------------------------|---|-----------------------------------|---|
| <input type="checkbox"/> Significantly increased | <input type="checkbox"/> Increased | <input type="checkbox"/> Little / no change | <input type="checkbox"/> Declined | <input checked="" type="checkbox"/> Not sure / Not applicable |
|--|------------------------------------|---|-----------------------------------|---|

**If increased, from which countries / regions, and for which Aid for Trade categories / sectors?**

*Please describe and exemplify.*

**If increased, what steps have you taken to strengthen your capacity to respond to increasing demand for Aid for Trade from partner countries? Tick the box of all that apply:**

<input type="checkbox"/>	Increased aid resources
<input type="checkbox"/>	Strengthened in-house trade expertise
<input type="checkbox"/>	Improved training, tool-kits and/or guidelines for Aid for Trade programming

<input type="checkbox"/>	Increased awareness among policy-makers and practitioners at the HQ and the field
<input type="checkbox"/>	Strengthened political commitment
<input type="checkbox"/>	Increased coordination among donors (e.g. joint assessment, joint delivery, etc.)
<input type="checkbox"/>	<i>Please feel free to add other steps you have taken</i>

**Please feel free to provide any other relevant information in relation to mainstreaming and ownership.**

ADC is going to strengthen in-house AfT expertise by mid 2009.

### Working with Others: Harmonisation and Alignment

#### Q3.5 In how many of the partner countries you support, have you contributed to the following joint donor initiatives?

	< 10%	10-30%	> 30%
Joint needs assessment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joint Aid for Trade strategy formulation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joint Aid for Trade programme	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pool funding	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Joint monitoring and evaluation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Delegated cooperation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Q3.6 Do you have a specific approach to South-South and/or trilateral cooperation in Aid for Trade?

Yes       No       Not sure/Not applicable

**If yes, what are its key elements or particular focuses?**

*Please describe and exemplify.*

#### Q3.7 How much of your Aid for Trade is aligned with your partners' country systems (based on your best estimate)?

<input type="checkbox"/> less than 25%	<input checked="" type="checkbox"/> 25% to 50%	<input type="checkbox"/> 50% to 75%	<input type="checkbox"/> above 75%	<input type="checkbox"/> Not sure / Not applicable
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Please feel free to provide any other relevant information in relation to harmonisation and alignment.

#### 4 MONITORING RESULTS, EVALUATION AND MUTUAL ACCOUNTABILITY

**Q4.1 Does your Strategy include specific monitoring and evaluation guidelines for Aid for Trade programmes?**

Specific to Aid for Trade

Generic guidelines

If you do have specific guidelines, please provide the details of your Aid for Trade M&E framework. How often do you review progress towards your strategy objectives? Who do you report to?

Please describe and exemplify.

**Q4.2 Do you regularly monitor the potential trade impact of your aid projects / programmes?**

Yes

No

Not sure/Not applicable

If yes, please describe how.

Please describe and exemplify.

**Q4.3 Do you have plans to improve the evaluation of your Aid for Trade programmes?**

Please describe and exemplify.

Not at the moment.

**Q4.4 Have you carried out or do you plan to carry out an impact assessment of your Aid for Trade programmes?**

Yes: please indicate when:

No

Not sure/Not applicable

**Q4.5 Do you involve partner country stakeholders in developing measurable objectives/indicators to assess the quality of your Aid for Trade programmes?**

Yes

No

Not sure/Not applicable

If yes, please describe the indicators used.

Please describe and exemplify.

**Q4.6 Have you undertaken joint evaluations of your Aid for Trade with your partner country stakeholders?**

Yes

No

Not sure/Not applicable

**If yes, please describe when and the results of the evaluation.**

*Please describe and exemplify.*

**Please feel free to provide any other relevant information in relation to monitoring, evaluation and mutual accountability.**

With reference to Q4.4: An evaluation of the "Programme on Business and Development Partnerships" has been carried out recently. This programme is a relevant piece of Austrian AfT strategy; see also Q1.3.

## 5 REGIONAL DIMENSION

### Q5.1 How important is the regional dimension in your Aid for Trade strategy?

- |   |  |  |                                      |  |
|---|--|--|--------------------------------------|--|
| <input checked="" type="checkbox"/> Essential element | <input type="checkbox"/> Important element | <input type="checkbox"/> Minor element | <input type="checkbox"/> Not present | <input type="checkbox"/> Not sure / Not applicable |
|---|--|--|--------------------------------------|--|

**If essential or important, please describe how your Aid for Trade strategy addresses regional challenges.**

*Please describe and exemplify.*

To some extent, Austria has developed a regional focus. Within the programmable part of Austrian ODA, this is true for economic infrastructure and, more particularly, for the energy sector. Energy, one of ADC's focal sectors, forms part of regional programmes in Western Africa, Southern Africa and Central America. Interventions are commonly defined by and implemented with respective regional organisations (e.g. ECOWAS, SICA) and in co-operation with other bilateral (e.g. Finland) and multilateral (e.g. UNDP) organisations. The on-going "Energy and Environment Partnership with Central America" is one successful example of wider AfT engagement including a regional dimension. Moreover, regional economic infrastructure in Sub Sahran Africa is further targeted by way of contributing to the EU/EIB infrastructure Trust-Fund, a European-African initiative on cross-border infrastructure. Finally, Austria contributes to the different facilities of the Private Infrastructure Development Group (PIDG), too.

The second entry point with a regional dimension are interventions aimed at improving the investment climate. In this context, Austria has a clear focus on the South-East European (SEE) region. In co-operation with international and multilateral organisations like OECD and World Bank, regional initiatives like "Investment compact for SEE" or "REPARIS" will create a better investment climate in the long term.

### Q5.2 Which of the following factors are important for determining whether or not to support particular regions or regional programmes? Please list in the order of importance.

<input type="checkbox"/>	Relevance to ongoing regional trade agreements / negotiations
<input type="checkbox"/>	Regional proximity / support to neighbouring regional economic integration processes
<input type="checkbox"/>	Cultural, linguistic or historical ties with the region
<input type="checkbox"/>	Existence of a viable counterpart at regional level
<input type="checkbox"/>	Request for assistance from a regional body

<input type="checkbox"/>	Availability of a clearly defined regional development strategy
<input type="checkbox"/>	Geographical concentration of donor activities
<input type="checkbox"/>	<i>Other, please describe:</i> Order of importance: 7 (most important factor for Austria) – 5 – 6 – 2 – 4 3 – 1 (least important factor)

**Q5.3 By how much has the volume of your regional Aid for Trade increased since 2005?**

<input type="checkbox"/> Declined	<input type="checkbox"/> By less than 5%	<input type="checkbox"/> By 5 to 15%	<input checked="" type="checkbox"/> By 15 to 30%	<input type="checkbox"/> More than 30%
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**Q5.4 In which assistance categories are you particularly active at regional level?**

	Frequently	Occasionally	Rarely	Not sure / Not applicable
Training (trade negotiations/WTO rules)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Trade facilitation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Development of cross-border infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Capacity building of regional organisations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Other, please describe and exemplify*

**Q5.5 What are the most important challenges in implementing regional Aid for Trade?**

Please list in the order of importance.

<input type="checkbox"/>	Lack of (or weak) articulated demands for regional Aid for Trade
<input type="checkbox"/>	Lack of coherence between national and regional priorities
<input type="checkbox"/>	Lack of credible lending authorities at regional level
<input type="checkbox"/>	Lack of effective coordination at regional level
<input type="checkbox"/>	Difficulties of monitoring and evaluating results at regional level
<input type="checkbox"/>	Lack of credible mutual accountability mechanisms at regional level
<input checked="" type="checkbox"/>	<i>Other, please describe and exemplify</i> Too little experience so far to provide qualified listing.

**Q5.6 Has the demand for regional Aid for Trade increased since 2005?**

<input type="checkbox"/> Significantly increased	<input type="checkbox"/> Increased	<input checked="" type="checkbox"/> Little / no change	<input type="checkbox"/> Declined	<input type="checkbox"/> Not sure / Not applicable
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**If yes, in which regions and for which activities has it increased the most?**

*Please describe and exemplify.*

There has been some change/increase concerning the field of energy. See also Q.5.1.

***Please feel free to provide any other relevant information in relation to regional Aid for Trade.***