

DENMARK

WHAT IS YOUR AID FOR TRADE STRATEGY?

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

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

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

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

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

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

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

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

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

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

METHODOLOGY

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

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

COMMITMENTS

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

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

PLEDGES

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

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

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

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

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

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

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

MAINSTREAMING

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

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

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

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

OWNERSHIP

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

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

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

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

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

ALIGNMENT

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

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

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

HARMONISATION

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

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

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

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

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

MANAGEMENT FOR RESULTS

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

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

Multilateral assistance: Denmark recommends concurrent monitoring and regular evaluation.

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

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

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

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

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

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

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

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

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