

THE NETHERLANDS

WHAT IS YOUR AID FOR TRADE STRATEGY?

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

The key elements in the Netherlands aid-for-trade strategy are:

- 1) Aid-for-trade needs to contribute to the realization of MDG's 1 and 8, not only by stimulating economic growth but also by advancing pro poor income distribution.
- 2) Safeguarding and intensifying the globalization process in a controlled manner will contribute to economic growth, also in developing countries.
- 3) The WTO Doha Development Agenda has to succeed, not only to preserve actual market access levels but also in order to create additional trade opportunities. Aid-for-trade is considered to be complementary to the DDA and as a consequence is implemented without taking the outcome of the trade negotiations into consideration.
- 4) EPA's should contribute to the multilateral process and initiate deeper liberalisation of regional trade (south-south) next to improved access to EU markets for the ACP group of countries. Market opening of ACP countries will be asymmetric and allow 'policy space'.
- 5) Corporate social responsibility is important to guarantee continued public support for globalization; CSR should not lead to protectionism but assist developing countries in their efforts to achieve higher standards for labour regulations, environment and climate protection norms and human rights (including the gender MDGs 3-5).
- 6) Developing countries need to integrate trade and growth strategies into their poverty reduction strategies; this in order to guarantee the demand driven character, involve civil society and private sector and reinforce the political process in a.o. parliament.
- 7) As developing countries, f.e. Sub Sahara Africa (3rd in Doing Business 2006), make progress in economic governance, these countries deserve donor support in their efforts to use increased market access and participate stronger in the world trade system.
- 8) Donors should assist them by making additional aid-for-trade means available (as part of the Monterrey-Barcelona ODA commitments).
- 9) In individual LDCs the Netherlands will support the development of concrete proposals for trade capacity building. Should this be helpful and effective, it is also willing to join and support the priorities that result from the IF process.

- 10) The widening of the aid-for-trade-agenda, to include supply side constraints and infrastructure next to trade related assistance, has been endorsed by the WTO Hong Kong Ministerial and EU General Affairs and External Relations Council.
- 11) A joint EU aid-for-trade strategy can help to implement this agenda in a more coordinated manner (Paris Declaration) with other donors and IFI's.
- 12) However, effectiveness is not enough; the question is now how the EU can help to achieve concrete results with an EU aid-for-trade strategy.
- 13) That is why, besides on TRA, the strategy should focus on the implementation of the EU Africa Partnership on Infrastructure, Advancing African Agriculture, EU African trade facilitation programmes and support to SME's with practical programmes to enable them to participate in global supply chains.
- 14) Important that the demand driven character of aid-for-trade will be preserved; strict input targets for TRA or ACP should not undermine this.
- 15) The EU code of conduct could be implemented in the EU aid-for-trade strategy, on a voluntary basis and while providing a solution for cross sectoral aspects and tied aid provisions.

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

The strategy has been developed in line with the results of this conference and the recommendations of the WTO Aid for Trade Taskforce.

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

Apart from regional issues that are dealt with in national poverty reduction strategies, solutions for regional challenges should be supported by institutions with suitable instruments like the EU Commission.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

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

The Netherlands aid-for-trade programme is defined in conformity with the recommendations of the WTO Aid for Trade Taskforce. It consists of programmes and projects which are reported under the CRS codes for the categories Trade policy and regulations, Economic infrastructure and Building productive capacity (including Trade development).

METHODOLOGY

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

Individual projects and programmes are provided with a CRS code and thus qualify under aid-for-trade categories or not.

COMMITMENTS

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

Commitments were in line with the description in the Annex to this questionnaire of the Creditor Reporting System (CRS) categories and the profile of the Netherlands' data for 2002 to 2005.

PLEDGES

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

The Netherlands has not made additional aid-for-trade pledges since the WTO Ministerial Conference in Hong Kong. Our demand driven commitment level has however increased to approximately € 550 million per year.

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

To maintain the existing commitment levels.

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

MAINSTREAMING

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

Similar to other Netherlands' development programmes, aid-for-trade programmes and projects need to be demand driven and form an integral part of policy discussions with beneficiary countries, international institutions, other donors, NGO's and the private sector.

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

Since 2000, a dedicated staff of six people has been assigned to aid-for-trade.

OWNERSHIP

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

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

Upon request, the Netherlands can support in LDCs the development of concrete proposals for trade capacity building. We join at the national level the priorities that result from the Integrated Framework process.

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

We can support beneficiary countries in their endeavours to conduct such policy dialogues.

ALIGNMENT

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

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

Where possible, this is the approach that we pursue.

HARMONISATION

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

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

Yes, donor coordination at country level is a standard feature of Netherlands' programming.

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

As the Netherlands aid-for-trade is demand driven, this would depend on the beneficiary countries.

MANAGEMENT FOR RESULTS

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

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

Objectives and timeframes are set for individual programmes and projects. Consequently, success is measured per activity. Programmes can also become the subject of an evaluation.

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

Methodologies which measure output, outcome and impact.

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

Yes, the Netherlands regularly cooperates with other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

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

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

As a consequence of the demand driven character of the Netherlands' aid-for-trade programme, engagement with partner countries, regional organisations, other donors and stakeholders in reviewing progress is an integral part of our arrangements.