

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.

The Australian aid program is committed to helping developing countries to achieve the Millennium Development Goals (MDG) and Aid for Trade activities are a crucial part of this effort. The vast majority of Australia’s official development assistance (ODA) contributes either directly or indirectly towards MDG progress.

The Australian Government believes that developing country participation in global trade liberalisation is the most effective way of delivering countries a better deal in world trade, encouraging development, and eradicating poverty. Australian Aid for Trade activities directly supports progress toward the MDGs, in particular poverty alleviation (MDG1) and promoting an open rules-based, predictable, non-discriminatory trade and financial system (MDG8).

Australia’s approach to Aid for Trade is guided by recognition of the need to provide assistance which both helps developing countries to effectively participate in the international trading system and assists them in pursuing the necessary structural changes to benefit from international trade liberalization.

Key objectives of Australia’s Aid for Trade - the “twin pillars” - are:

- 1) Supporting effective developing country participation in the international trading system; and
- 2) Assisting developing countries to pursue structural reform and improved export capacity behind the border.

As a leader of the Cairns Group, the Australian Government has long supported international efforts to liberalise agricultural trade, particularly the elimination of trade distorting domestic support and barriers to market access. Australia has granted duty- and quota-free market access to all Least Developed Countries (LDCs) since 2003 and is a world leader in this regard. Australian experience demonstrates that domestic structural reform which aims to build the capacity of countries to become more productive, more competitive, and more efficient, is essential if developing countries are to benefit from opportunities provided in the global trading system.

The Australian aid program delivers Aid for Trade bilaterally and on a regional and global basis. The Australian Government is committed to strengthening efforts to reduce aid crowding and fragmentation, including through greater division of labour and donor harmonisation as per our commitments under the Paris Declaration and Accra Agenda Action. Below are examples of Australian global, regional and bilateral Aid for Trade activities.

Global

- Australia provides annual funding to the World Trade Organisation (WTO) Global Trust Fund. The Australian Government has recently announced it will increase the annual contribution to the WTO Global Trust Fund to A\$1 million in 2008-09, taking Australia's total contribution to the fund to about A\$4 million since 2002. The WTO Global Trust Fund finances trade-related technical assistance that improves the ability of developing countries to participate in the Doha Round of multilateral trade negotiations.

Pacific

- Australia's contribution to the WTO Global Trust Fund is being complemented by support for WTO Trade Facilitation Needs Assessment workshops in the four WTO member (Papua New Guinea, Solomon Islands, Fiji, Tonga) and two accession (Samoa, Vanuatu) countries.
- Australia has provided more than A\$3 million to support Pacific island countries in moving to closer economic integration through negotiation of a regional free trade agreement, the Pacific Agreement on Closer Economic Relations, known as PACER Plus. Our support focuses on four components: capacity building; policy analysis and research; stakeholder consultation and engagement; and trade facilitation and promotion. Programs include expert training for trade officers and funding for countries to commission independent trade research.
- Australia provides annual support of A\$1.25 million to the Pacific Islands Trade and Investment Commission in Sydney, which promotes Pacific exports and tourism in Australia and assists Pacific business to enter the Australian market.
- Australia is providing A\$12.5 million for the International Finance Corporation's Pacific Enterprise Development Facility, which is improving the business environment for small and medium-sized enterprises through targeted programs of technical assistance. The work covers access to finance, tourism, business enabling environment and rural export development.

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

Asia

- The Philippines Australia Port Security Capacity Building Project is helping to build a national framework for port security, develop and implement port security plans, and comply with the International Maritime Organisation's International Ship and Port Facility Security (ISPS) Code. The project is implemented by the Philippines Department of Infrastructure in partnership with the Australian Office of Transport Security.
- The ASEAN Australia Development Cooperation Program Phase II (A\$57 million, 2008-2015) is expected to commence implementation in 2009. Building upon Phase 1 of the program (A\$45 million; 2002-2008), it aims to support ASEAN's goal of establishing an ASEAN Economic Community by 2015, through support for stronger regional economic growth and integration, and by providing high quality economic research, policy advice and implementation support on priority regional economic integration issues.

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

Please describe and exemplify.

The Australian Labour Party came to office following federal elections in Australia in November 2007. The new Australian Government has made a strong commitment to increasing Australia's ODA to 0.5 percent of Gross National Income (GNI) by 2015-16. In April 2008, the Australian Government joined the MDG Call to Action. In line with this, the Australian aid program, including Aid for Trade activities, aims to support faster progress towards the MDGs. The scaling up of Australian aid levels to 0.5 percent of GNI is a crucial part of this commitment. Aid for Trade activities are particularly focused on poverty eradication (MDG1) and promoting an open rules-based predictable, non-discriminatory trade and financial system (MDG8).

The Australian Government has articulated its strategic direction on Aid for Trade in the Westerman lecture (October 2008) delivered by Mr Simon Crean, Minister for Trade. He highlighted the need to:

- Improve market access through trade agreements and by helping developing countries meet trade requirements; and
- Improve the domestic environment to trade through structural reform and the development of infrastructure for trade.

This new strategic direction in Australia's Aid for Trade is taking place amid a significant scaling up of Aid for Trade activities from about A\$160 million in 2006-07 to approximately A\$384 million in 2008-09¹. Aid for Trade funding is expected to increase further to around A\$400 million in 2009-10.

With the onset of the current global financial crisis, the Australian Government has reaffirmed its commitment to increasing aid to 0.5 percent of GNI, noting that the poor in developing countries are the most vulnerable to the global economic downturn, making now the most critical time to maintain international development assistance. The Australian Government has ongoing programs to support the strengthening of financial sector governance in Asia and the Pacific, and these are already proving useful in the current environment. The continued scaling up of both the overall aid program and Aid for Trade activities will help developing countries to both mitigate the effects of the crisis and address the underlying constraints to growth, facilitating the eventual recovery process.

In light of the Westerman Lecture and the need to respond to the ongoing global financial crisis, the Australian aid program will be reviewing its approach to Aid for Trade. This reflects the strong advocacy of the Australian Government that continued trade liberalisation, coupled with implementation of appropriate structural reforms, will be critical to restoring confidence and growth to the global economy.

¹ Note that these figures are reported in line with Australian financial years (July to June).

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

Please describe and exemplify.

The general design and delivery of Australian aid activities, including aid for trade programs, is supported through targeted operational guidance, and ready access to diagnostic and monitoring tools designed to ensure the aid program is delivered effectively.

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

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.

The Australian Government provides more funding for Aid for Trade activities than is reflected in the CRS profile (see responses to Questions 2.2 and 2.3 below for detail on actual Australian Aid for Trade levels). The Australian aid program will be introducing an Aid for Trade marker and other enhanced monitoring arrangements to rectify this discrepancy in future Aid for Trade reporting.]

*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.

For All Donor Agencies

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.

Australia's indicative forward spending plans estimate that total Aid for Trade funding will rise to A\$384 million in 2008-09, before increasing further to around A\$400 million in 2009-10.

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.

The Australian aid program expects to surpass its initial estimates for scaling up Aid for Trade funding. In response to the 2007 OECD-WTO Aid for Trade donor questionnaire, the Australian Government stated a significant scaling up of Aid for Trade activities, from about A\$150 million in 2006-07 to around A\$325 million per year over the next three years. The Australian Government is pleased to report that the aid program is more than on track to meet this estimate. Australia's Aid for Trade levels have already risen from A\$161 million in 2006-07 to A\$288 million in 2007-08. Under current spending plans, this figure will rise to approximately A\$384 million in 2008-09 and increase further to around A\$400 million in 2009-10.

Australia's budget process develops spending commitments and monitors progress against these budget commitments to ensure they are honoured. Through the Australian Agency for International Development (AusAID) performance management framework, geographic and thematic areas are required to report on the performance of their programs against aid commitments. The Australian Government supports the Paris Declaration principles and the Accra Agenda Action and monitors performance against the commitments set out in these documents.

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.

In line with the Paris Declaration and Accra Action Agenda principles, the Australian aid program is increasing the funds directed through multi-donor trust funds and program-based approaches to support better donor-harmonisation. Australia is also increasingly participating in joint donor activities. In 2008-09, Australia estimates to have provided approximately 22 percent of Aid for Trade funding through multilateral channels including trust funds, co-funded programs and joint activities. This compares to 12 percent in 2007-08 and

reflects a significant increase. The new Pacific Partnerships for Development are a key part of this effort. The response to Question 3.7 provides greater detail on how Australia is pursuing greater country alignment and donor harmonisation of Aid for Trade activities.

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

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.

Australia's Aid for Trade activities are conducted within the context of AusAID's objectives of assisting developing countries to reduce poverty and achieve sustainable development. The Australian Government is committed to supporting progress towards the MDGs. All country and regional program strategies under the aid program are aligned to these objectives.

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 type="checkbox"/> less than 25% | <input type="checkbox"/> 25% to 50% | <input checked="" 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 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 |
|--|--|-------------------------------------|------------------------------------|--|

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

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

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

Please describe and exemplify.

Developing countries which have increased demand for Aid for Trade include those in the Pacific, ASEAN and Mekong regions. Australia's Indonesia aid program has also seen an increase in demand for Aid for Trade. Demand for Aid for Trade has been concentrated in demand for assistance with structural reform, infrastructure and in developing trade policy skills. The Australian aid program has responded to these priorities as reflected in the twin pillars approach outlined in the response to Question 1.1 above.

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 checked="" 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 checked="" 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.

See response to Question 3.7.

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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Joint Aid for Trade strategy formulation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Joint Aid for Trade programme	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pool funding	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Joint monitoring and evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Delegated cooperation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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.

The Australian Government supports trade between developing countries as a vehicle for regional and interregional integration and development. Australia recognises that there considerable gains are possible by increasing trade and integration between developing countries. Australia has a longstanding commitment to assisting developing countries to integrate with each other and the world through regional trade agreements.

- The ASEAN Australia and New Zealand free trade agreement (AANZFTA) and the PACER Plus agreement both encourage regional integration between developing and more developed countries with expected improvements in south-south trade though both of regional trade agreements as participant countries integrate more closely with one another.

The Australian Government directly supports increased trade and integration among developing countries through regional Aid for Trade programs such as:

- The 2008-2015 ASEAN-Australia Development Cooperation Program, detailed under the response to Question 1.1
- Annual contributions to the Asia Pacific Economic Cooperation (APEC) Support Fund which provides a flexible funding mechanism to assist developing country APEC members with priority trade and economic integration needs.
- The AANZFTA Facility provides assistance to developing country ASEAN member states to build expertise in free trade negotiations and implementation, particularly in relation to the AANZFTA negotiations. It includes a series of capacity building workshops to ASEAN officials on FTA related issues such as rules of origin, investment, intellectual property and tariff and trade data and provision of a senior trade facilitation expert to assist the ASEAN Secretariat’s FTA unit.

Other Australian Aid for Trade activities are also expected to support increased trade and integration between developing countries as they support increased trade in general.

The Australian aid program also provides assistance on a trilateral basis. Australia works with the Asian Development Bank and People’s Republic of China to support the Cross Border Transport Agreement assisting Greater Mekong Countries to reduce the non-physical barriers to cross border movement of goods, people and transport and improve the management of customs, immigration and quarantine inspection at key border crossings in the Mekong subregion.

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.

The Australian Government believes that increasing developing country participation in international trade liberalisation and the international trading system is the most effective way of delivering countries a better deal in world trade, encouraging development, and eradicating poverty. Australia is committed to creating a practical alignment, or coherence, between our trade policy – which unambiguously calls for the continued liberalisation of trade – and Australia’s development assistance and other cooperation with developing countries.

In line with the Paris Declaration and Accra Action Agenda, the Australian aid program is increasingly engaging in programs which support increased donor harmonisation. Australian assistance in the Pacific provides two

key examples:

- In the Pacific, a major new initiative is the Pacific Regional Infrastructure Facility (PRIF). PRIF is a multi-donor facility being jointly developed by Australia, New Zealand, the ADB and the World Bank Group to support improved infrastructure services in the Pacific region, including in transport, water and sanitation, energy and telecommunications. Australia could contribute over A\$100 million to this multi-donor facility over the next four years.
- The Pacific Regional Trade Facilitation Program is a joint Australian and New Zealand funded program under the PACER framework agreement, which aims to implement capacity building and institutional strengthening activities to improve Pacific island countries' abilities to operate effectively in the multilateral trading environment. Support is focused on three areas: customs, quarantine and standards and conformance.

Aid for Trade activities in the Pacific will be designed within the framework of the Pacific Partnerships for Development. The Pacific Partnerships for Development represent the Australian Government's new approach to development assistance in the Pacific. These Partnerships are aimed at helping developing Pacific countries to achieve faster progress towards the MDGs and are based on the principles of mutual respect and mutual responsibility, both of which resonate strongly with the Paris Declaration and Accra Action Agenda.

The Partnerships acknowledge the importance of Pacific island countries' leadership, ownership and alignment with national development plans. This also means working more substantively through partners' finance, procurement and decision making systems (and committing to strengthen those systems over time). The Partnerships for Development also commit Australia to provide greater predictability of aid funding, with medium-term funding commitments affirmed annually. Crucially, the Australian Government is committed to working with other donors to make sure that they do not undermine co-operation with other donors by leading to an exclusive bilateral dialogue with partner countries. Partnership agreements have already been signed with Papua New Guinea, Samoa, the Solomon Islands and Kiribati.

As Aid for Trade continues to expand as an important area of development assistance, it is critical to support partner governments' efforts to coordinate donors through their own program approaches. For example, in response to the growing level of bilateral and multilateral Aid for Trade, Australia is a lead contributor to a World Bank's Multidonor Trust Fund to support trade-related sector-wide approaches (SWAPs) for Vietnam and Laos. Longer-term, systematic support to the key trade ministries involved are more appropriately provided through national programs for trade sector development.

Australia has initiated a Policy Dialogue between APEC and other Multilateral Organisations (including the WTO, World Bank, IMF, and UN Agencies). In February 2009, a Policy Dialogue on APEC's Engagement with Multilateral Organisations will take place in Singapore under the theme of: "Unlocking Our Common Potentials". A number of innovative ideas and approaches are expected to be discussed, including the Paris Declaration aid effectiveness principles as they are related to trade, in particular the issue of fragmented trade-related aid interventions.

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.

N/A

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.

When developing or updating country strategies, programs are required to conduct a country situation analysis looking at the broader context and implications of a proposed aid program, including any relevant trade impacts. AusAID's Office of Development Effectiveness (ODE) monitors and reports on the general performance of the Australian aid program through the Annual Review of Development Effectiveness (ARDE) which is tabled in Parliament.

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

Please describe and exemplify.

Australia attaches a high priority to demonstrating the development effectiveness of all its aid activities (including for Aid for Trade activities) through structured and regular evaluative exercises. Australia is continually upgrading its evaluative capacity and the scope of its analysis. AusAID's Annual Review of Development Effectiveness (ARDE) assesses results achieved by the Australian aid program over the previous year. Areas identified for improvement through the ARDE form the basis of AusAID's forward evaluation agenda.

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

Australian aid activities are subject to regular review, both through self assessment and independent evaluation during and at the end of the activity cycle as appropriate to assess whether the activity has met its objectives. Aid for Trade may feature as part of major evaluation methodologies of the aid program including the ARDE, Annual Program Performance Reports and State of the Sector Reports.

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.

The Australian aid program has a strong culture of actively engaging with partners to jointly identify appropriate objectives and indicators, within the overarching context of the MDGs, to guide and measure program performance. Program Strategies and Annual Program Performance Reports are developed and peer reviewed through close consultation with country stakeholders and other donors. Wherever possible, Australia uses partner government data, works through their systems, and builds its counterparts' capacity to manage and undertake monitoring and evaluation activities. This is a crucial feature of the new Pacific Partnerships for Development (detailed in the response to Question 3.7).

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.

All monitoring of activities carried out under the Australian aid program is done in close cooperation and consultation with partner countries.

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

5 REGIONAL DIMENSION

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

Essential element Important element Minor element Not present Not sure / Not applicable

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

Please describe and exemplify.

The delivery of Aid for Trade on a regional basis forms an essential part of Australia's approach to Aid for Trade, with the Australian aid program placing a heavy emphasis on Asia and the Pacific. Australia recognises that regional forms of Aid for Trade are important, not simply as a delivery mechanism of assistance, but also in light of the important role of regional integration and South-South trade to overall progress towards economic development and the MDGs.

In the Pacific, stronger policies to promote trade and more extensive trade-related government and physical infrastructure are needed to address a lack of economic integration amongst developing countries in the

Pacific. Two key examples of regional Australian Aid for Trade activities include:

- Pacific Regional Infrastructure Facility (see response to Question 3.7)
- Regional Trade Facilitation Program (see response to Question 3.7)

As Australia moves toward regional trade agreement negotiations with the Pacific, there is a substantive program of support to build capacity to negotiate including:

- Australian Leadership Award Trade Fellowships for Pacific trade officials to undertake capacity building and training;
- Funding for independent, country-designed trade research and analysis; and
- Informal trade discussion workshops for officials.

AUSAID has started preparing its Asia Regional Engagement Strategy and regional Aid for Trade activities in Asia will be guided by this. It will place an emphasis on supporting the regional architecture to better address development issues, rather than on tackling development issues using standalone regional modalities. The focus will be utilising institutional partnerships as a means to address development priorities. Australia's partnership with ASEAN and membership of APEC will be critical components of the strategy.

In Asia, the Australian aid program has a large number of Aid for Trade activities delivered on a regional basis including:

- The ASEAN Australia Development Cooperation Program (see response to Question 1.1)
- The APEC Support Fund (see response to Question 3.6).
- The Cross Border Transport Agreement for the Greater Mekong Region (see response to Question 3.6).
- The ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) – Economic Cooperation Work Program (ECWP) which aims to help AANZFTA Parties implement their obligations under the AANZFTA.
- Mekong Transport Infrastructure Development Project (A\$34 million, 2007 – 2011). This activity will help increase trade in targeted economic corridors by reducing transport costs through improvements in inland waterways and roads in 13 provinces of the Mekong Delta.
- The Joint India-IMF Regional Economic Training Program. Australia funds this initiative at A\$3 million over 3 years. The Program provides policy-oriented training in economics, including broad macroeconomic applications that impact on trade, to government officials from South Asia and East Africa.
- The South Asia and East Asia Bureau of Economic Integration Project (A\$2.2 million). A five year research program that identifies and analyses economic and political forces driving South Asia's entry into the process of Asian economic integration. Its analysis focuses on India and Pakistan and contributes to improving the capacity of regional policy makers to initiate and promote domestic institutional reforms for regional economic integration.

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.



Relevance to ongoing regional trade agreements / negotiations

<input checked="" type="checkbox"/>	Regional proximity / support to neighbouring regional economic integration processes
<input checked="" type="checkbox"/>	Cultural, linguistic or historical ties with the region
<input checked="" type="checkbox"/>	Existence of a viable counterpart at regional level
<input checked="" type="checkbox"/>	Request for assistance from a regional body
<input checked="" type="checkbox"/>	Availability of a clearly defined regional development strategy
<input checked="" type="checkbox"/>	Geographical concentration of donor activities
<input type="checkbox"/>	<i>Other, please describe</i> When determining support for particular regions and/or regional programming, Australia considers the specific context and Aid for Trade needs of the countries in question. There is no strict manner of prioritising engagement.

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 type="checkbox"/> By 15 to 30% | <input type="checkbox"/> More than 30% |
|-----------------------------------|--|--------------------------------------|---------------------------------------|--|

At this point in time accurate information on this is unavailable. In light of the significant scaling up of Aid for Trade activities in recent years as well as negotiations surrounding PACER Plus and AANZFTA, Australia expects that regional Aid for Trade volumes are likely to have risen substantially since 2005.

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trade facilitation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Development of cross-border infrastructure	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Capacity building of regional organisations	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	Lack of (or weak) articulated demands for regional Aid for Trade
<input checked="" type="checkbox"/>	Lack of coherence between national and regional priorities
<input checked="" type="checkbox"/>	Lack of credible lending authorities at regional level
<input checked="" type="checkbox"/>	Lack of effective coordination at regional level
<input checked="" type="checkbox"/>	Difficulties of monitoring and evaluating results at regional level
<input checked="" type="checkbox"/>	Lack of credible mutual accountability mechanisms at regional level
<input type="checkbox"/>	<i>Other, please describe and exemplify</i> 1. Lack of coherence between national and regional priorities 2. Lack of effective coordination at regional level 3. Lack of (or weak) articulated demands for regional Aid for Trade

- 4. Lack of credible mutual accountability mechanisms at regional level.
- 5. Difficulties of monitoring and evaluation results at regional level
- 6. Lack of credible lending authorities at regional level

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

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

If yes, in which regions and for which activities has it increased the most?

Please describe and exemplify.

The Australian aid program has seen an increase in demand for regional Aid for Trade from Asia and the Pacific. This has been primarily in relation to trade policy negotiation skills, in light of regional trade agreements under formulation in each region.

Australia has also seen increased demand for regional infrastructure programs and has responded with the design of PRIF (see response to Question 3.7) and the Cross Border Transport Agreement (see response to Question 3.6)

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

The Australian aid program also delivers Aid for Trade on a global basis in the form of contributions to the WTO Global Trust Fund (see response to Question 1.1 for detail).