

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 programming efforts of the Canadian International Development Agency (CIDA) in the area of trade are guided by an overall approach across the Government of Canada that sees trade as a key tool for growth and development. This approach also sees a balanced and open rules-based trading system as being supportive of developing country efforts to expand their economic opportunities. More specifically, CIDA's trade-related programming is guided by two relevant frameworks:

(1) CIDA's Sustainable Development Strategy, which focuses on four core objectives:

- support equitable economic development;
- support social development, with particular emphasis on people living in poverty;
- support environment and natural resources management; and
- support progress in democratic governance and human rights.

Trade-related programming is considered to be especially important for achieving the objective related to equitable economic development.

(2) CIDA's Policy on Private Sector Development (2003) is the key guidance document for the agency's trade-related programming. This Policy lists increased participation in regional and international markets and institutions by developing countries and countries in transition as one of five expected results. This is being achieved through initiatives such as:

- capacity building in analyzing, formulating, negotiating and implementing trade policy in developing countries and countries in transition;
- support for the participation of developing countries and countries in transition in regional trade bodies and the World Trade Organization (WTO);
- support for the participation of developing countries and countries in transition in International Financial Institutions;
- the provision of technical assistance for more secure trade, enhanced supply chain linkages, and local trade network development; and
- trade facilitation initiatives.

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

Please describe and exemplify.

Not applicable

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.

Given the diversity of programming included under the various categories of Aid for Trade, best practices in this area fall under CIDA's overall approach to program design and delivery, which includes aid effectiveness.

By way of example for best practices, in 2003 CIDA launched a resource tool on Gender Equality and Trade Related Capacity Building (TRCB) to assist its staff and international trade and development practitioners internationally to understand the differential impact of trade on women and men. This included barriers and needs in relation to various aspects of TRCB programming, with practical suggestions on how these concerns can be addressed in trade-related programming.]

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.

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.

As part of Canada's commitment to double its international assistance by 2010-2011, Canada allocated an additional \$14 million per year for Aid for Trade activities over five years in Budget 2007-08. This includes funding for initiatives such as the Programme for Building Africa's Capacity to Trade, the Enhanced Integrated Framework, and trade-related technical assistance in the Caribbean.

Canada supports Aid for Trade through several channels, some examples of which are given here. At the multilateral level, CIDA provides core support to the WTO (including the Doha Development Agenda Global Trust Fund and the Standards and Trade Development Facility) as well as to the Enhanced Integrated Framework. At the regional level, CIDA funds the Africa Trade Policy Centre (ATPC) at the UN Economic Commission for Africa and the Program for Building African Capacity to Trade (PACT), implemented by the International Trade Centre (ITC). At the national level, CIDA supports country-specific Aid for Trade through our bilateral support programs in Asia, Africa, the Americas, and Europe/Middle East/Maghreb. Finally, we support civil society and enterprise-level activities, for instance with Trade Facilitation Office Canada, which works with the private sector to assist developing countries to export to the Canadian market.

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.

In September 2007, Canada announced its intention to provide \$19.2 million to the Enhanced Integrated Framework (EIF) over five years. Canada expects to start fulfilling this pledge as soon as possible pending finalization of appropriate EIF institutional mechanisms.

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.

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.

At the bilateral level, Country Development Programming Frameworks (CDPFs) are prepared for our larger geographic programs. Each CDPF applies/integrates the Paris Declaration Principles of Aid Effectiveness (e.g. alignment and harmonization) by responding to the priorities outlined in the Poverty Reduction Strategy Paper or other national development plan, other donor plans and bilateral/multi-donor dialogue with the partner country government. The CDPF usually focuses CIDA's programming in 2-3 sectors. Where one of the sectors of focus is Private Sector Development, the programming priorities within the sector will reflect those outlined in the 2003 Policy on Private Sector Development. Results defined in this policy include:

- Increased participation in regional and international markets and institutions by developing countries and countries in transition; and
- Increased incomes and improved productive capacities, including greater control by women over productive assets.

Approval documents for projects that are designed to support the development of the private sector must reference the CDPF and identify expected results that are relevant to the policy.

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

Q3.3 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
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If increased, from which countries / regions, and for which Aid for Trade categories / sectors?

Please describe and exemplify.

More interest has been expressed at the regional level (namely from regional economic communities and their member countries). There has also been increased demands from those developing countries with whom Canada is negotiating bilateral trade agreements. Partner countries in the Americas and Asia have expressed an increased demand for assistance to meet standards in export markets and participate in international standard-setting bodies.

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 checked="" type="checkbox"/>	Increased awareness among policy-makers and practitioners at the HQ and the field
<input checked="" type="checkbox"/>	Strengthened political commitment
<input checked="" 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.

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 checked="" 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 checked="" type="checkbox"/>	<input 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)?

less than 25% 25% to 50% 50% to 75% above 75% Not sure / Not applicable

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.

CIDA has a corporate-level evaluation strategy. Centralized evaluations are conducted by the Agency's Evaluation Division and consist of program-level and thematic evaluations. Decentralized evaluations are conducted by the program branches and are focused on project or institutional levels. CIDA's Evaluation Division provides guidance, tools and seminars to the program branches in order to assist them with their decentralized evaluations.

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.

CIDA undertakes periodic monitoring of Aid for Trade as part of the Agency's ongoing monitoring and evaluation efforts of its projects. For instance, CIDA is putting in place a monitor for its Trade and Competitiveness Project with the Caribbean Regional Negotiating Machinery (CRNM) and Caribbean Community (CARICOM) Secretariat.

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

Please describe and exemplify.

CIDA will build on the "strong" rating it received regarding its evaluation functions in a 2006 Management Accountability Framework assessment, and will further strengthen governance and oversight of the Agency's evaluation function in a cost-effective manner. A series of additional measures will also be implemented to enhance the coverage, independence, quality and rigour of evaluations. These measures will include ensuring that 100 per cent of CIDA's programs are evaluated over a five-year cycle.

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.

All evaluations are participatory and involve all relevant stakeholders. As an example, for its Trade and Competitiveness Project with the CRNM and CARICOM, CIDA uses a number of indicators, including:

- Regional economic partners participate meaningfully in negotiation processes;
- Member States have the capacity to take advantage of a stable and predictable trade environment and put into place the legal, policy and regulatory frameworks necessary to give effect to trade agreements; and
- An adequate supply of knowledgeable and skilled negotiators and other professionals is available for recruitment by CRNM.

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.

Canada supports joint reviews of multilateral trade initiatives. By way of example, CIDA was a member of the Management Committee which directed the multidonor evaluation of the International Trade Centre (ITC) in Geneva in 2006. The evaluation report is available on the ITC website. Also, an evaluation of CIDA's Americas Branch Trade Program is underway. Managed by the Inter-American Development Bank and in close

coordination with CIDA, the objective of this evaluation is to assess the performance of this program in order to identify the extent to which results have been achieved and extract lessons learned.

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?

- | | | | | |
|--|---|--|--------------------------------------|--|
| <input type="checkbox"/> Essential element | <input checked="" 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.

The extent to which regional approaches are adopted depends on CIDA's development assistance approach for each region. In some cases, such as the Caribbean, trade negotiations support and infrastructure development are being addressed on a regional basis. For Africa, regional Aid for Trade has increased by more than 30%, with a focus on trade facilitation and capacity building for regional organizations.

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 checked="" type="checkbox"/>	Relevance to ongoing regional trade agreements / negotiations
<input 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> priority: 6, 7, 4

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 checked="" type="checkbox"/> By 5 to 15% | <input type="checkbox"/> By 15 to 30% | <input type="checkbox"/> More than 30% |
|-----------------------------------|--|---|---------------------------------------|--|

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Trade facilitation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 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> Order of importance: 4, 1, 5, 6, 3, 2; Other: lack of strong regional partner organizations; countries' capacity to handle regulatory demands of trade organizations (e.g., WTO).

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

Please describe and exemplify.

CIDA has experienced an increase in demand for Aid for Trade from the Americas and Caribbean region. In particular, this has focused around assistance to help partner countries benefit from trade agreements and improve the competitiveness of their private sectors to access markets, including through meeting global standards. Increased demand from Africa has also been noted, particularly at the regional level.

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

In the specific area of sanitary and phytosanitary (SPS)-related technical assistance, regional Aid for Trade is a challenge. National capacity in SPS regulatory systems varies from country to country within a region and requires a level and area of programming that meets the immediate needs of each recipient country in building capacity to meet their SPS obligations in international trade of food, animal and plant commodities.