

SPAIN

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?

Although Spain does not currently count with an actual document called “Aid for Trade (AfT) Strategy”, it does have an AfT strategy, which consists of both quantitative and qualitative elements.

Spain considers the Ministerial Declaration at the December 2005 WTO Conference as an important trigger to draw attention on the need to increase the aid devoted to trade related technical assistance and capacity building (TRTACB). In terms of Spanish TRTACB, we have committed more resources both at bilateral and multilateral level and we expect to continue increasing this kind of aid.

The qualitative elements include the following: the main objective of poverty reduction via economic growth and integration into the world economy; respect for the principles of the Paris Declaration; need for all actions to be demand-driven; emphasis on the private sector as a key player in this field; the importance of not neglecting middle income countries; the conviction of the need to go beyond the two first categories of AfT which the EU pledge refers to; the need to exploit further the potential offered by certain international financial and non-financial institutions in this area; the need to consider AfT in conjunction with other critical initiatives, such as the Partnership for Infrastructures in Africa; the need to work further on the monitoring and evaluation of AfT.

Spain’s strategy on AfT includes a relevant internal dimension, since it seeks to strengthen the time and resources devoted to the topic, both at headquarters and in the field.

All these elements will be explicitly introduced in the next Master Plan for Cooperation (2009-2012), upon which the next set of *Country strategy papers* will be drafted, possibly alongside a specific document called *Strategy (or Guidelines) on Trade and Development*, for which an interdepartmental Working Group, coordinated by the Ministry of Foreign Affairs and Cooperation has been created. This document will be independent from the existing *Strategy on the economic and entrepreneurial tissue*, which contains references to trade activities with an impact on commercial regulations and capacity-building, such as “Technical assistance for policy-making in the field of entrepreneurial enhancement”.

The next Master Plan will be the first to follow both a top-down and a bottom-up approach, building upon the findings of the first set of *Country strategy documents*, which will assess, among others, the commercial capacity of each partner country, thus following the demand-driven approach.

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

Since the December 2005 WTO Ministerial Conference, the strategy on AfT has substantially evolved.

Spanish policy-makers are increasingly focusing on development projects with a trade dimension.

Moreover, the international call for the need for coherence has had a considerable impact in Spain and led to an important document, drafted in 2006 by the civil society and the different departments within the public sector, on *Coherence for Development*. This document contains recommendations for the Spanish Administration on a variety of topics, trade counting among its ranks.

In this line, the Spanish Administration has reinforced its interdepartmental coordination, also in the area of trade and development. Thus, since 2005 the debate on AfT has been actively followed jointly by the Ministries of Trade and of Foreign Affairs and Cooperation, and decisions in the area (i.e. the Spanish strategy on AfT) have been and still are taken jointly.

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

Regional AfT challenges are also addressed in accordance with the demand-driven approach. This means that in the first instance national capacities are addressed, considering notwithstanding both internal and external trade, as well as the linkages between both.

Regional AfT challenges should be addressed always bearing in mind that the ultimate goal is poverty reduction, which is to be achieved by building the supply-side capacity and trade-related infrastructure needed by developing countries in order to benefit from multilateral liberalization processes, always taking into account the needs of national populations.

In this context, Spain's approach will also actively seek to foster interregional trade, given its proved benefits.

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)?

AfT is defined according to the definition provided by the DAC and its correspondence with that provided by the WTO Task Force (CRS).

METHODOLOGY

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

Rather than AfT being allocated to individual projects and programmes, an individual project or programme is considered to be AfT or otherwise depending upon its codification. If its codification corresponds to what the DAC database (and its correspondence with that of the CRS) has classified as an AfT code, then it will be AfT; otherwise, it will not. In this doing, the joint WTO/OECD document containing guidelines to allocate the share of AfT is always taken as a reference.

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?

Based on the joint WTO/OECD Trade Capacity Building Database, data for 2005 are the following: USD 1,527 million for the first category Trade Policy and Regulations and USD 7,4 million for the second category Trade Development.

PLEDGES

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

Since the December 2005 WTO Ministerial Conference, the AfT pledges made by Spain are subsumed in those made by the EU on the occasion of that Conference and are also made through our increasing contributions to trade related technical assistance funds managed by the WTO (Doha Development Agenda Global Trust Fund or Trade Facilitation Needs Assessment Trust Fund) or UNCTAD, among others.

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

Spain does not currently have a medium-term (beyond 3 years) financial plan specifically for AfT, as it does not have detailed breakdowns in other ODA areas. However, it does have a global ODA plan, according to which ODA will account for 0.5% GDP by 2008 (c. 5.4 billion €) and 0.7% by 2012 (c. 10.0 billion €). Hence, Spain will already be increasing its basic AfT commitment and will continue doing so, depending also upon the demands expressed by the partner countries, as well as the absorption capacity and results-based-evaluations.

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?

The way to ensure that AfT is effectively integrated in the overall development strategy and programming both at headquarters and in-country is to attract its attention at an early stage of the planning process. Initially, thorough debates on Trade and Development in general and on AfT in particular must be conducted, with the participation of all stakeholders involved (civil society, different administrative departments, headquarters and in-country managers). With their input, and at the appropriate time, high-level meetings between Secretaries of State and Director Generals both in Trade and in Development should take place in order to make specific strategic decisions on the topic. There are also institutional Interministerial WTO and UNCTAD Committees to channel the decision making process.

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

In-house AfT expertise has recently been strengthened in various ways. On the one hand, meetings between a broad base of relevant experts within both the Ministry of Trade and that of Foreign Affairs

and Cooperation have taken place in order to gain comprehensive insight of AfT. For instance, within the Ministry of Foreign Affairs and Cooperation experts on planning, programming, statistics, international finance and evaluation have met and shared views, concerns, proposals and actions to be taken. Also, the number of meetings between the AfT experts within the Ministry of Trade and that of Foreign Affairs and Cooperation has increased and given way to solid and fruitful work in team. In parallel, external expertise has been sought and conveniently integrated into the AfT strategy. Larger meetings on the topic both with civil society and the private sector are envisaged. AfT will further be a matter of dialogue at the headquarters through institutionalised encounters with all cooperation stakeholders (for instance, via the “Consejo de Cooperación” or Development Council).

Expertise is of course also gained in meetings held at a regional and international level (for instance, within the EU, the DAC POVNET group or within the WTO).

In order to link policies with operations, this expertise is deployed top-down and bottom-up. Top-down by providing information from the headquarters into the field; bottom-up by inputs from the field to the headquarters, albeit at this stage not on all AfT issues but rather on limited aspects of it such as general productive capacity. However, at a future stage, information flows better tailored to cover the needs of all aspects of AfT shall be envisaged.

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?

There is no one-fits-all solution to cases in which national development strategies lack a strong trade-development component. However, and given that, in principle, such a strong component is desirable, the sensibility for its need is nurtured via donor working tables, dialogue in the field and general capacity-building (for instance, to local governments).

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

Policy dialogues among key stakeholders are considered absolutely essential in the planning process and, therefore, are indeed encouraged and supported. In pursuit of the principle of ownership, sound and widely appropriated programming documents elaborated by partner countries are taken as the basis for development planning. Once these documents have been identified, wide dialogues with the pertinent authorities are pursued. For instance, in sector working tables which are fostered in the framework of the Poverty Reduction Strategy Papers. In those countries in which a Technical Cooperation Office exists, the Spanish presence in these dialogues is direct; in those countries without such offices, delegation mechanisms will be put in place, in line with the division of labour, which has been endorsed by Spain.

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?

The partner countries' policy planning and budgeting framework is not still used as the basis for the provision of our AfT programmes. However, and as hinted in Question 1, this is foreseen in the future, given Spain's commitment with the principles of the Paris Declaration, in which it firmly believes.

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?

Similarly to the answer to Question 13, AfT analyses and programming is not yet coordinated with other donors at the country level, but Spain foresees to proceed that way. Precisely the approval of the EU Strategy on AfT will help us to work in this direction.

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?)

The amount of AfT for both regional and multilateral programmes is being increased. At a bilateral level Spain is managing trade related regional programs and we also participate with our increasing contributions to multilateral technical assistance trust funds.

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?

The timeframes set for our AfT strategy and programmes will follow, in principle, the general planning cycle: 4 year Master Plans (the next one for 2009-2012 should explicitly include AfT, as mentioned in Question 1) and 1 year Annual Plans in terms of strategy; and shorter frames for programmes. Specific AfT indicators to meet intermediate objectives concerning AfT design, management and results must still be developed and incorporated into the future planning and evaluation cycle in order to measure success.

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

A mix of quantitative and qualitative evaluation methodologies is foreseen to be applied to AfT projects and programmes.

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

Similarly to the answers given to Questions 13 and 14, Spain does not still cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation for AfT projects and programmes, but is conscious of the need to do so. In this sense, the adoption of the EU Strategy on

AfT and, in more general terms, progress in the principles of the Paris Declaration and the European Consensus on Development will help to achieve this goal.

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?

Currently, activities such as the completion of this questionnaire help establish a basic engagement with regional organisations and other donors to review progress towards the fulfilment of our AfT policy and programme commitments. Other such activities are the Monterrey questionnaire or the foreseen WTO Global Review on AfT in November 2007.