

# AITIC

## 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?**

AITIC's mandate, as defined in the *Agreement Establishing AITIC as an IGO*, is aid-for-trade, thus its strategy is bound to be an aid-for-trade strategy in its entirety. AITIC's general mandate is to assist less-advantaged countries (LACs) to have more effective trade-led growth, an active participation in the multilateral trading system (MTS) and a successful trade diplomacy, through technical assistance and building capacity for trade policy design.

To achieve this objective, AITIC's strategy consists of the following elements:

- focus on personalised assistance to delegates, targeting those more in need, i.e. the least-developed countries and those members and observers of the WTO without permanent representation in Geneva;
- identification of trade-capacity needs and national priorities in close consultation with LAC officials; and
- addressing the demands through the provision of information, written analyses and advice; seminars and workshops; on-the-job training for LAC government officials, through ad hoc programmes.

AITIC's documents strive to present technical matters in a comprehensible language, focussing on developing countries' main concerns; they aim to be concise, rigorous and objective; they are translated into the three official languages of the WTO and occasionally, on demand, into other languages.

AITIC's targeted trade-related support to representatives in Geneva and capital-based officials seek to complement that provided by other organisations, to avoid unnecessary duplication and to promote coordination and coherence. AITIC has established close collaboration with several AFT providers with which it organises joint activities.

AITIC's advisory, training and capacity-building activities are demand-driven. They consequently promote the sense of ownership of beneficiary countries.

AITIC is guided by the principles of the Paris Declaration on Aid Efficiency.

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

AITIC's focus and work programme were influenced by the launching of the Aid for Trade initiative. The diagnostic provided by the AFT Task Force was found to be accurate and its recommendations were followed, to the extent they corresponded to AITIC's mandate and areas of work. In fact, the main evolutions in AITIC strategy since December 2005 had already been initiated and were simply reinforced by the AFT initiative. A few examples illustrate how AITIC's strategy has evolved:

- bolstering the demand side and assisting on capacity building for trade policy design;
- reinforcing the regional dimension, already present in past activities;
- building closer relations between the public and the private sectors and promoting public-private partnerships;
- moving further towards activity-based budgeting;
- being subject of and contributing to monitoring and evaluation;
- encouraging and playing a role in the improvement of effective national and regional coordination and coherence.

The last point has been tackled by two new programmes developed by AITIC which have a dual purpose: to provide personalised on-the-job training on WTO and trade and development policy to LAC officials, and to improve the communication and coordination between missions in Geneva and officials in capital.

Regarding monitoring and evaluation, AITIC's has given particular attention to assisting LACs on their Trade Policy Reviews (TPRs), particularly on presenting their aid for trade needs and requirements to the donor community. During the TPR preparatory period, AITIC provides assistance to these countries in general and in particular on specific AFT categories. Post-TPR events, organised by AITIC in Geneva, bring together potential donors, trade-related international organisations and the private sector. This type of meeting gives the trade minister of the country reviewed as well as other members of the country delegation (private sector and civil society representatives - parliamentarians or national NGOs) the opportunity to present the outcome of the TPR and to alert other stakeholders, including international organisations and development partners, on the areas where the country trade needs are most acutely felt.

Finally, since the Hong Kong Ministerial Conference, AITIC has strived to raise awareness of the opportunities open by the new AFT initiative and started consultations with the different stakeholders to advance on the effective operationalisation of AFT.

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

On receiving a demand from a country, AITIC works with government officials on refining trade-related priority needs and exploring the advantages of considering the regional dimension: from regional integration in general, to specific issues which lend themselves to regional cooperation, such as customs procedures, transport and trade facilitation, harmonisation of trade-related measures, such as mutual recognition agreements, SPS, TBT, etc. AITIC, in contrast with the WTO, has the autonomy to advise governments, at their request, on their trade policy and negotiations in general. Evidently, this also applies to their regional strategies, such as EPAs.

Certain capacity-building seminars are organised at the regional level, where the countries can discuss and exchange information on trade policy strategies, WTO accession and post accession issues, multilateral and regional trade negotiations, implementation, etc.

An example of AITIC's work on the regional dimension of AFT is a project for the Organization of Eastern Caribbean States (OECS) on the development of port infrastructure and maritime transport services based on two hubs (in St Lucia and Antigua) to interface with the wider Caribbean region and the rest of the world. As a result of consultations with regional and national authorities, AITIC has taken steps to assist the OECS on formulating this project, which answers a need identified at the regional level.

## **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)?**

As AITIC's mandate is an AFT mandate, all its activities have to form part of AFT. And since most, if not all, of its activities and programmes would actually form part of the narrower TRTA category, the question of the definition of AFT is consequently less of a problem for AITIC. The Agency is indeed not involved in any kind of programme that would form part of the grey area of the definition of AFT given by the task force.

Assistance to the less-advantaged countries to develop their capacity to trade, in particular through a better understanding of the rules of multilateral trade and the importance of trade as a development tool is how AITIC defines AFT. In relation to the definition contained in the Task Force Recommendations, the programmes, projects and activities under AITIC's business plan would fall under two particular AFT categories: Trade Policy and Regulations and Trade Development.

The general objective is to enable LAC governments to access trade-related assistance and elaborate trade policy frameworks conducive to trade-led growth and development. The specific activities include:

### Trade Policy and Regulation (TP&R):

AITIC Programme/Project	Creditor Reporting System/TP&R Category
Provision of technical assistance and capacity-building to LACs on WTO issues and the Doha negotiations	<i>Multilateral trade negotiations</i> <i>Thematic areas: Agriculture, NAMA, services, rules, TBT, SPS, trade facilitation, accession, trade and environment, TRIPS, customs valuation, dispute settlement, trade and competition, trade and investment.</i> <i>Trade education and training</i>
Promoting the integration of LDCs into the MTS	<i>Mostly Trade education and training</i> <i>(including trade negotiation techniques and trade mainstreaming/development plans)</i>
Assistance and advice to LAC governments on WTO accession and post-accession process	<i>Multilateral trade negotiations</i> <i>Trade education and training</i>
Support to non-resident LACs' participation in the MTS (e.g. Geneva Weeks)	<i>Multilateral trade negotiations</i> <i>Trade education and training</i>
Provision of timely trade-related information of trade-related issues and multilateral or bilateral trade negotiations	<i>Multilateral trade negotiations</i> <i>Trade education and training</i>
Translation of AITIC and other trade related documents	<i>Multilateral trade negotiations</i> <i>Trade education and training</i>
Updates and translation of the <i>AITIC Glossary of International Trade Terminology with Particular Reference to the WTO</i>	<i>Multilateral trade negotiations</i> <i>Trade education and training</i>
Capacity-building of LAC government officials through the Internship, Official Fellowship and Professional Trainee Programmes	<i>Trade education and training</i>
Dissemination of information on AFT through formal and informal meetings, workshops and multimedia tools	<i>Multilateral trade negotiations</i> <i>Trade education and training</i>

### Trade Development (TD)

AITIC Programme/Project	Creditor Reporting System/ TD Category
Regional AFT OECS Project	<i>Trade promotion strategy and implementation</i>
Transfer of Business Skills and outreach to the private sector	<i>Public-private sector networking</i>

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

Given that all the AITIC work is aid-for-trade, the share is 100%.

## 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?

AITIC has reported information on its AFT activities to the joint WTO/OECD database since 2001 and has reported its commitments, as translated into concrete programmes and projects, using the TP&R and TD definition as provided in the database.

AITIC commitments by category for the period 2002-2005 (in thousands of CHF) are as follows. However, these figures do not include personnel costs, which were not yet included in project outlays. As of 2005, AITIC is taking further steps to have full activity-based budgeting and by 2006 should be in a position to include personnel costs in the expenditure of its various projects.

Category	Sort Code	Period 2002-2005
Trade mainstreaming in PRSPs/ development plans	33111	82
Trade facilitation procedures	33121	117
Customs valuation	33122	16
Regional trade agreements (RTAs)	33130	20
Accession	33141	92
Dispute settlement	33142	82
Trade-related intellectual property rights (TRIPS)	33143	21
Agriculture	33144	162
Services	33145	46
Rules	33147	71
Trade and environment	33151	4
Trade and competition	33152	20
Trade and investment	33153	20
Trade education/ training	33181	3,750
Public-private sector networking	25012	117
Total		4,620

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

AITIC is not an individual donor, thus no pledges were made before or after Hong Kong.

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

AITIC has a five-year budgetary cycle, which is coming near the end. In 2009 a new cycle begins. The financial plan for the 2009-2013 contemplates a budget of CHF 30 million.

## 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?**

In contrast to bilateral donors, AITIC's activities are part and parcel of its development strategy which is in itself an AFT strategy. AITIC gives priority to building capacity on trade design to ensure that the programming of AITIC's activities (which takes place at AITIC's offices in Geneva) responds to the development strategy of the recipients of its assistance. This constitutes the second main element identified in AITIC AFT strategy as explained under question 1 above. AITIC gives priority to those country requests that have been "mainstreamed" into the recipients' overall development plans.

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

Strengthening in-house aid-for-trade expertise is an ongoing process. Following the recent establishment of AITIC as an intergovernmental organisation, the recruitment of additional and more

experienced trade experts has been possible. However this process was started prior to the launching of the AFT initiative.

## 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?**

It has been recognised that, generally, there is insufficient awareness of trade as a tool for development on the part of both donors and recipients. Thus, raising awareness of the importance of the trade component in national development plans has been a major component of AITIC's strategy. Similarly, AITIC focuses on advice on trade policy design. These two elements encourage those countries that have not done so, to mainstream trade into their development plans. Even in those countries which have integrated trade as a key component of their development strategy, AITIC does no lose sight of the importance of underscoring the trade dimension. While planning a specific activity or project, AITIC ensures that the trade-related needs and requirements of the country are taken into account. During the seminars/workshops the significance of integrating trade into the different aspects of national development policy is emphasised. The concept of coherence within the government departments and between the government, civil society and the private sector is also highlighted.

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

Since the launch of the AFT initiative, AITIC initiated a series of activities aimed at raising awareness – which culminated with the construction of a web page on AFT in AITIC's web site – of this new trade-development tool and has encouraged policy dialogues amongst all stakeholders, both in Geneva and in those countries which requested this kind of assistance.

In 2007, AITIC held a series of consultative meetings/policy dialogues with all AFT actors concerned: potential recipient country officials, donors, representatives of international and regional organisations and private sector representatives from both developing and developed countries. Each group discussed priorities and concerns. A final Forum on AFT brought all groups together to discuss the outcomes and findings of the previous meetings and to devise follow-up actions. The first concrete outcome will be an AFT Handbook with information on the AFT initiative, its development and a guide to the “culture” of individual donors.

## 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?**

In this context, AITIC “partner countries” are its Participating Members (the recipients of its assistance) and Sponsoring Members (those funding AITIC and the assistance it provides). AITIC is aware of the policy planning of its Participating Members, particularly those who make specific requests. In most cases their trade policy and policy planning are indeed used as a basis for the

provision of AITIC's AFT responses to the demands, according to the second main element identified in AITIC AFT strategy (see question 1 above). The objective is precisely to make sure that AITIC programmes form part of their policy planning and budgeting. Regarding AITIC's Sponsoring Members, there is a lack of information on their policy planning and budgeting, so these cannot be used as the basis for the provision of AITIC's AFT.

## 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?**

AITIC collaborates with other trade-related organisations and coordinates with them particular projects at the country level, whenever feasible to reduce costs and increase synergies. AITIC would encourage donors to make more information available on their AFT analyses and programming at the country and regional levels to facilitate the AFT operations of trade-related intergovernmental and regional organisations, as well as NGOs, and to improve the coherence and coordination of donor responses.

**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?)**

AITIC's financial base has been significantly enlarged since the Agency's creation as an association under Swiss private law in 1998. With the establishment of AITIC as an intergovernmental organisation in 2004, a global budget spread over five years has gradually increased at an annual average rate of 14%.

## 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?**

AITIC's ultimate and long-term objective is to foster a more active participation of the less-advantaged countries in the MTS and to promote trade-led growth that will contribute to effective poverty reduction and the fulfilment of the Millennium Development Goals. As for timeframes, AITIC's next five-year budgeting cycle will begin in 2009, with a new five-year AFT overall strategy. AITIC's more specific programmes and projects, contained in a yearly business plan which is elaborated in consultation with AITIC's members, aim at achieving concrete results defined for each of its projects. As AITIC activities are designed to be demand-driven, its annual business plan builds in sufficient flexibility to be able to respond to ad hoc demands formulated by AITIC's members.

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

AITIC AFT projects, programmes and more generally to its delivery of services to its Members are evaluated internally on a systematic basis, and externally at regular intervals. The internal evaluations rely on three types of instruments: quantitative, qualitative and check-list. The annual report that AITIC presents on the implementation of its annual business plan quantifies the number

of meetings organised, documents produced, demands received, time to respond, etc. during the year to allow Members to measure the output volume. The qualitative evaluations are based on the compilation of the responses of the participants to the evaluation questionnaire circulated at the end of most AITIC activities. These evaluations constitute one of the bases for the elaboration of the following year's business plan. Finally, whenever possible prior to the launch of a project or activity, a check list of identified objectives is drawn, and whenever the project or activity is concluded, the list of objectives is tallied against the results.

The internal evaluations are regularly complemented by external evaluations performed by independent consultants. In 2007, a perception audit was conducted with AITIC Members and usual business partners. An external evaluation of the quality and relevance of its services was also performed.

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

AITIC has participated in joint monitoring and evaluation of projects and programmes of AFT providers, including the evaluation of other intergovernmental and regional organisations and NGOs. AITIC's "partner countries" are its Members, both Sponsoring (donors) and Participating (recipients) and they jointly monitor and evaluate AITIC's programmes. Independent external evaluations of AITIC's activities have regularly been conducted.

## **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?**

AITIC's programme commitments and its AFT strategy is regularly monitored by its members through AITIC's governing bodies: the Executive Board and the Council of Representatives. The proposed yearly business plan and corresponding budget are first presented to the former for review and then are approved by the latter. The same bodies examine and approve the execution of the business plan and budget after the year-end. These bodies are convened at least once a year and at these meetings AITIC's past activities are discussed and its AFT strategy is fine tuned. Every five years, the renewal of AITIC's funding is a further opportunity for its Members to define the broad strategy of the organisation, in the light of past achievements. More informally, AITIC keeps regular contact with its Members, who review and monitor the execution of its business plan and make new requests. AITIC has not participated in formal mutual accountability arrangements, although it frequently participates in the evaluation and monitoring of other trade-related programmes or organisations and can assume that other organisations, and stakeholders review and evaluate its activities.