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Supporting developing countries in coping with the crisis

Aid for Trade monitoring report 2009

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Executive Summary

On 15 October 2007, the EU adopted a joint Aid for Trade Strategy¹. A joint Community and EU Member States initiative, the Strategy aims at supporting all developing countries, particularly the Least Developed Countries (LDCs), to better integrate into the rules-based world trading system and to use trade more effectively in promoting the overarching objective of eradicating poverty. The present report is the second monitoring exercise since the adoption of this strategy.

The EU AfT Strategy embraces the full Aid for Trade agenda, as identified by the WTO Aid for Trade Taskforce: "classical" Trade Related Assistance (TRA: Trade Policy and Regulation; and Trade Development), as well Productive Capacity Building; Trade Related Infrastructure; Trade Related Adjustment and "Other trade related needs". The dual focus on more resources and better impact on development objectives is complementary.

Already in last year's reporting exercise it was clear that the Aid for Trade agenda was finding its way into EU development cooperation. That trend is being confirmed this year. Eleven Member States now have an operational strategy, based on the EU Aid for Trade Strategy, and four are linking activities directly to the Joint EU AfT Strategy. The Slovak Republic intends to adopt AfT guidelines this year. **22 out of the 27 Member States have on-going co-operation activities in the field of Aid for Trade**, an increase of two Member States over last year.

As regards the specific EU 2005 pledge to commit €2 billion annually to Trade Related Assistance by 2010, **new figures indicate that the collective EU pledge was nearly met in 2007. In 2007, the total commitments from EU Member States towards TRA amounted to €0.96 billion, an increase of 8% from 2006, when EU TRA was 0.89 billion². The Community, for its part, reached its TRA target and committed just under €1.02 billion to TRA in 2007, which was up from €0.94 billion in 2006. The total EU support for TRA in 2007 thus reached €1.98 billion, reflecting substantial EU progress towards reaching its target of €1 + €1 billion by 2010.**

Reporting on TRA remains complex, with Member States still adjusting to the change in reporting procedure introduced in 2007/2008. In part, the increase in Member States TRA may reflect a correction of an under-reporting of previous years. Efforts to keep TRA at high levels must be sustained so that the EU TRA target can be credibly met in 2010, along with the commitment to increase funding of the broader AfT agenda.

Looking at the wider Aid for Trade Agenda - Trade Policy and Regulation together with Trade Related Infrastructure; Building Productive Capacity, Trade-Related Adjustment and "Other trade related needs" - it can be seen **that total EU AfT reached €7.17 billion in 2007, representing a stable level as compared to 2006, when the commitments were €7.12**

¹ Council Conclusions of 15 October 2007

(http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/misc/96506.pdf).

² Last year's Monterrey report estimated the 2006 EU MS TRA commitments to approximately € 640 million, in turn having increased from an average of 358 million between 2001 and 2004 (data was drawn from the Doha Database). Since then, there has been an updating of the figures, including by Germany who has done an inventory of its TRA activities, identifying several projects not previously included in its reporting and contributing to substantially increasing the numbers for 2006.

billion³. This includes €4.74 billion in 2007 for EU Member States, up from €4.56 billion in 2006; and €2.43 billion for the Community, down from €2.57 billion in 2006. **Overall AfT commitments of the EU have steadily increased over the period 2004-2007. AfT has remained a priority in development cooperation for the EU as a whole.**

Africa is confirmed as the region receiving most AfT: €2.73 billion in 2007 and 43.9% of total EU AfT in 2005-2007. The ACP share of EU AfT share was 36%, down from 38% in 2006.

The EU Member States' responses to the AfT questionnaire did not enable any clear forecasts to be made concerning future spending. Predictability remains an important area for progress.

Information regarding the incorporation of trade and AfT in the policy dialogue and response strategies of EU donors presents a mixed picture. Eleven MS and the European Commission felt that demand for AfT had increased since 2005. However, only the Commission and the NL indicate that AfT concerns are an important part of the policy dialogue with more than 75% of their partner countries, and five Member States say that it is important in 50 to 75% of partner countries. Seven Member States said it is important in 25 to 50% of cases.

Similarly, only three donors (*the European Commission, DK and the NL*) stated that the country assistance strategies contain trade or AfT elements in more than 75% of their partner countries. Five Member States indicated that such elements are present in between 50 and 75% of cases. Six Member States indicated that this is the case in 25 – 50% of the country strategies. **While there could be some difference in interpretation across Member States, this suggests that AfT is still not sufficiently mainstreamed in the policy dialogue that EU donors are having with partner countries.**

The collection of information on the application of the principles of aid effectiveness has been refined this year, allowing a more quantitative appreciation of the way in which donors work together in the AfT arena. **However, whilst many Member States have some experience of joint needs assessment, strategy formulation, programmes or delivery, these approaches are not commonly applied.** In fact, as regards joint needs assessment, only five Member States and the European Commission indicated that they had supported or were contributing to joint needs assessments in more than 30% of their partner countries. As for joint AfT strategy formulation, only four Member States and the Commission indicated that they had supported or were contributing to Joint AfT strategy formulation in more than 30% of their partner countries. Only three Member States said that they had supported or were contributing to Joint AfT programmes in more than 30% of their partner countries. And only five Member States indicated that they had supported or were contributing to pool funding in more than 30% of their partner countries. All in all, **there is room for much closer collaboration between donors under government leadership in AfT.**

Support for regional integration appears to be capturing an increasingly prominent share of the EU Aid for Trade agenda. 17 Member States rated the regional dimension as important, and the UK and the European Commission rated it as essential. Recently some

³ For various reasons explained in other sections of this report, the total numbers for 2006 have been updated since last year's report. Thus the figure given above is a little lower than what was reported for 2006 in the 2008 EU AFT Monitoring report where it was estimated at € 7.279 billion for the EU on the whole, and € 4.715 billion for EU Member States.

Member States have taken specific measures to address the regional level, such as creation of specific cells within the administration to deal with regional issues; specific directions being sent to embassies; specific mention or explanation of the rationale for increased efforts at regional level in the operational instructions/ action plans. Some Member States are in the process of increasing bilateral cooperation with regional integration commissions and secretariats.

An increase in regional Aid for Trade has been recorded since 2005, providing a good basis for future work, despite the many challenges encountered in implementation at regional level (lack of an articulated demand for regional Aid for Trade; lack of coherence between national and regional priorities; lack of credible lending authorities at regional level; lack of effective coordination at regional level; difficulties of monitoring and evaluating at regional level; and lack of credible mutual accountability mechanisms at regional level).

At EU and international level, the joint work of EU donors continued in 2008, in particular through work on monitoring and reporting, guidance in the area of AfT and poverty, development of AfT indicators, and support for setting up the Enhanced Integrated Framework. Important work went into advancing the preparation of **regional AfT packages for the ACP**, which is expected to remain a key activity in 2009, in line with the Council conclusions of November 2008.

1. INTRODUCTION

Aid and trade are twin pillars of the EU development policy. Using a mix of grant aid and innovative trade instruments, the EU has sought to help some of the world's poorest countries to achieve sufficient economic transformation to lift their populations out of poverty. Building on this longstanding commitment, the EU adopted, on 15 October 2007, a joint Aid for Trade Strategy⁴. The Strategy is aimed at supporting all developing countries, particularly the Least Developed Countries (LDCs), to better integrate into the rules-based world trading system and to use trade more effectively in promoting the overarching objective of eradicating poverty. The present report reflects the second monitoring exercise since the adoption of the EU AfT strategy⁵, following up on the requirements of the Council.

This year's monitoring report is based largely on two sources: The OECD/DAC Creditor Reporting System (CRS) to which most EU Member States provide quantitative data on their Overseas Development Assistance (ODA); and EU responses to the OECD/WTO donor questionnaire regarding Aid for Trade flows, approaches and practice. Whilst the European Commission has sent a special AfT questionnaire to all EU Member States in the past, this year it has worked with the OECD to ensure that their questionnaire also catered for the EU's internal monitoring needs, in order to avoid duplication and to reduce reporting obligations. Whilst some of the areas addressed by the EU AfT Strategy are not explicitly covered in the questionnaire⁶, it was nevertheless felt that sufficient data could be collected to draft the EU report. All EU Member States and the European Commission responded to the OECD/WTO questionnaire, albeit in varying levels of detail. The Commission responded to the questionnaire on the basis of detailed information received from 71 Commission Delegations in third countries.

After a brief summary of the contents of the EU AfT Strategy, the report provides information on a) key efforts made by the EU during 2008 to implement the EU AfT Strategy at EU and international level; b) progress as regards EU financial support to Trade Related Assistance and overall Aid for Trade; and c) EU progress in delivering the AfT in accordance with established Aid Effectiveness principles, and other issues important to ensuring the quality and effectiveness of the EU AfT.

2. THE EU AID FOR TRADE STRATEGY AT A GLANCE

The EU Aid for Trade Strategy adopted by the Council on 15 October 2007 builds on an already strong performance by the European Union in this field, as the largest provider of grant Aid for Trade, consistent with its role as the largest global provider of overall overseas development assistance (ODA). This Strategy, which involves the Community and the 27 EU Member States, is a joint EU policy initiative to substantially step up the collective EU effort and the impact of Aid for Trade. The EU AfT Strategy commits the EU to channel more and better support to improve the integration of developing countries into the world trading

⁴ Council Conclusions of 15 October 2007 (http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/misc/96506.pdf).

⁵ The first monitoring report was published in April 2008: SEC (2008) 431

⁶ Issues not covered in detail include use of the IF, experience of specific poverty targeted and sustainability efforts in AfT etc. Further work will be required to finetune the questionnaire so to capture all the key issues properly and enable to measure progress in them over time.

system and to better harness the benefits to be gained from this, especially with a view to poverty reduction.

The EU AfT Strategy is comprehensive: It embraces "classical" Trade Related Assistance (TRA: Trade Policy and Regulation; and Trade Development), as well the other areas identified by the WTO Aid for Trade Taskforce: Productive Capacity Building; Trade Related Infrastructure; Trade Related Adjustment and "Other trade related needs". Box 1 provides an overview of the different AfT categories. The Strategy confirms and builds on previous political and financial commitments, such as those of the European Development Consensus⁷, the Monterrey commitments to Financing for Development, and the pledges made in Hong Kong in the WTO context.

The EU AfT is a part of EU ODA. Therefore, additional support for Aid for Trade will be achieved within the substantial increases in total ODA to which the EU is already committed. Whilst implementation of the strategy has already ensured that more resources are channelled into Aid for Trade and may include the development of new delivery modes, the strategy does not involve the creation of additional appropriations over and above ODA.

The EU AfT Strategy is articulated around the following key pillars:

- how to deliver on EU quantitative AfT ambitions,
- how to ensure the quality and pro-poor focus of the assistance,
- how to increase EU-wide capacity and improve the effectiveness of the assistance delivered,
- how to support ACP regional integration efforts; and
- how to ensure effective monitoring and reporting to sustain the process of implementing the pledges and commitments.

The Strategy is based on a number of key principles:

- AfT should be provided to all developing countries, but particularly to the poorest;
- AfT is part of the broader development policies and linked to MDGs;
- AfT complements but is not a substitute for a successful outcome of the DDA or other trade negotiations;
- AfT should operationalise the Paris Principles⁸ and the EU Code of Conduct on Complementarity and Division of Labour in Development Policy⁹

⁷ Joint Statement by the Council and the representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: "The European Consensus". Brussels, 22 November 2005.

⁸ http://www.oecd.org/document/15/0,2340,en_2649_3236398_35401554_1_1_1_1,00.html

⁹

http://www.ec.europa.eu/commission_barroso/michel/Policy/key_documents/docs/COMM_PD_F_COM_2007_0072_F_EN_ACTE.pdf

Box 1: Aid for Trade categories

In December 2005, the WTO Ministerial Conference in Hong Kong set up a Task Force to 'operationalise Aid for Trade'. In its 2006, recommendations, this Task Force stated that 'Projects and programmes should be considered as Aid for Trade if these activities have been identified as trade-related development priorities in the recipient country's national development strategies'. It specified six groups of activities that it considered to constitute Aid for Trade. The first two of these encompass "classical" "Trade Related Assistance" (TRA). TRA and the other four groups are usually referred to together as "the wider Aid for Trade agenda". Examples of what is usually referred to by these categories are given below.

To facilitate coherent reporting, the OECD has then worked to streamline the reporting on the AfT categories identified by the Task Force. In particular, it has worked to link each AfT category to one or several specific codes in the general Creditor Reporting System to which overall ODA is reported. (*Box 2 provides further detail on AfT reporting*)

Trade Related Assistance (TRA):

Trade policy and regulations: trade policy and planning, trade facilitation, regional trade agreements, multilateral trade negotiations, multi sector wholesale/ retail trade and trade promotion. Includes training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interest and identify trade-offs, dispute issues, and institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards. CRS Purpose codes: 33110, 33120, 33130, 33140, 33181

Trade development: investment promotion, analysis and institutional support for trade in services, business support services and institutions, public-private sector networking, e-commerce, trade finance, trade promotion, market analysis and development. This is largely a subset of building productive capacity, covering specifically its most trade related part. CRS Purpose codes which are marked using the "Trade Development Marker": 24010 to 24081, 25010, 31110 to 31195, 31210 to 31291, 31310 to 31391, 32110 to 32182, 32210 to 32268, 33210

Wider Aid for Trade agenda: TRA together with the below:

Trade-related infrastructure: physical infrastructure including transport and storage, communications and energy generation and supply. CRS Purpose codes: 21010 to 21081; 22010 to 22040; 23010 to

Building productive capacity: Includes business development and activities aimed at improving the business climate, privatisation, assistance to banking and financial services, agriculture, forestry, fishing, industry, mineral resources and mining, tourism. Includes trade and non-trade related capacity building. CRS Purpose codes: 24010 to 24081, 25010, 31110 to 31195, 31210 to 31291, 31310 to 31391, 32110 to 32182, 32210 to 32268, 33210

Trade-related adjustment: This code was created by OECD/DAC at the end of 2007. It covers contributions to the government budget to assist with the implementation of recipients own trade reforms and adjustments to trade policy measures by other countries; and assistance to manage shortfalls in the balance of payments due to changes in the world trading environment. CRS Purpose Code 33150

Other trade-related needs: Other trade-related support not captured under the categories or purpose codes above

3. STRATEGIC AND THEMATIC EU EFFORTS IN FOLLOW UP OF THE STRATEGY IN 2008

The EU AfT strategy is implemented in partner countries and regions under the partners' leadership and with the support of EU country and regional offices. This is where the key activities take place, such as policy dialogue, programming, stakeholder coordination, programme implementation, etc. Progress in integrating trade and AfT dimensions into these efforts over the past year is reflected in the responses to the OECD/WTO questionnaire, and

in the levels of AfT flows over the years. All these issues are reported upon in subsequent chapters.

EU Headquarters support country and regional work by means of a 'backstop' function: helping to focus and prioritise work, facilitating EU collaboration, providing technical analysis, establishing baselines, and ensuring information sharing. This section reviews the main activities in 2008.

3.1. Joint efforts initiated at EU headquarters level in 2008

3.1.1. Strengthening the pro-poor focus and quality of AfT

The EU AfT Strategy includes a commitment to enhance the impact of AfT on sustainable poverty reduction. Among other things, the EU would exchange information with partners regarding best practices in this area. In line with this, Sweden and the UK volunteered to lead work on strengthening the pro-poor focus and quality of AfT, and commissioned the Overseas Development Institute (ODI) to take this work forward.

The overall goal is to assist the EU donors to enhance understanding and implementation of Aid for Trade in ways that contribute to inclusive growth and poverty reduction. Specific objectives are to further develop the ways in which key stakeholders understand and act upon the linkages between trade, poverty and inequality.

Products that are anticipated include a concept and issues paper; guidance and toolkits; and a review and recommendations relating to the use of impact assessment.

A workshop has been held with members of the group, and all EU donors have been invited to submit cases for further analysis.

3.1.2. Facilitation of AfT reporting

When adopting the EU AfT Strategy, the EU Council underlined the need to improve the consistency and quality of EU AfT reporting, inter alia by harmonising reporting practices, clarifying AfT definitions and categories where necessary, and improving the geographical tracking of AfT delivered through multilateral channels. During 2008, one working group consisting of the Commission and interested EU Member States (*DE, ES, FI, FR, IE, UK, and DK*) met on a number of occasions to seek to clarify these matters. The group was established in the context of the WTO's decision in 2007 to abandon the current practice of reporting of TRA to a specific database (the Doha Database) and to rely instead on the general ODA reporting system offered by the OECD DAC Creditor Reporting System, the CRS. One key objective of the EU Working Group was to determine whether this procedure was suitable for reporting to the WTO on the EU TRA pledge.

Very useful exchanges of information took place in this group, helping to create transparency around current EU donors' reporting practices. Whilst the members shared the long-term objective of harmonising reporting practices, a consensus emerged that this could not be achieved fully at the present time. It was agreed that monitoring of the TRA commitments would be optimally assured by all donors continuing to report with the methodologies used at the time when they made their financial pledges. Aid for Trade Category 6 could be used to cover support to trade-related needs not falling within the main AfT categories. Full transparency on reporting approaches would be essential, and the present report advances this objective. Details of the reporting methodology now applied are given in Box 2.

The group also discussed the tracking of AfT delivered through multilateral channels. At present, OECD asks donors not to include non-earmarked funding in their ODA reporting. Instead, AfT efforts implemented by multilateral organisations are reported upon by the respective recipient organisation. The total flow of AfT is thus correctly reflected. However, there is a concern among donors providing important non-earmarked resources to organisations whose core business is linked to AfT that this approach leads to under-reporting of the effort of the donor who provided the resources. Increasing transparency on the source of AfT of multilateral organisations may be important for the future.

Box 2: Switching over from reporting to Doha Database to reporting to OECD/ CRS

For some years, donors have reported on trade related assistance to a specific database hosted by the WTO, the Doha Trade Capacity Building Database. When the WTO AfT Taskforce identified additional Aid for Trade categories in 2006, efforts were undertaken to find proxies for these in the regular Creditor Reporting System (CRS) that captures all Overseas Development Assistance (ODA) of the OECD members and multilateral donors. This required creating a direct link between a particular AfT category and a set of CRS purpose codes (DAC codes). "Trade-Related Infrastructure was proxied with Economic Infrastructure, and Productive Capacity Building was proxied with Productive Sectors. The AfT category 5 "Trade Related Adjustment" had not been measured previously, so a new code "33150" was created to capture this one.

In the course of these efforts, it was decided to abandon the previous Doha database and to report in future exclusively through the CRS, in particular to ensure full consistency of data.

A specific CRS code already existed for "trade policy and regulation, so in this case the switch was not problematic. However, "trade development" (TD) could not be distinguished in the CRS. Whilst recognised as largely (but not exclusively) drawn from the CRS purpose codes for "productive sectors", the CRS did not allow to distinguish between trade-related or non trade-related productive capacity building.

To enable continued tracking of TRA, and reporting on the pledges of several donors, a new "Trade Development marker" was therefore introduced by the OECD. The marker allows a reporting donor to "mark" those programmes in productive sectors that it considers qualify as "Trade Development". Combined with information on Trade Related Assistance, programmes marked as "Trade Development" will provide information on the level of TRA of concerned donors, along the lines of what was reported to the DDA Database before. In this year's reporting, 8 out of the 15 Member States reporting to the OECD/DAC CRS (*AT, BE, DK, EL, IT, ES, SE, UK*), as well as the European Commission, made use of the TD marker. Furthermore, donors have the opportunity to report trade-related support that is not captured in trade-related CRS codes as "Other trade related needs" through the donor questionnaire prepared by the OECD / WTO within the framework of the Annual AfT Review (See footnote 15).

The switch from an ad hoc database to an established system as the CRS has not only produced benefits, but also introduced some inflexibility. Since in the CRS, any funding can only be reported with a single code and AfT categories are directly associated to the codes, a number of trade-relevant activities will not be captured as such by the system. Even if trade is a significant objective of a programme, the programme will be registered with different codes if trade not its primary objective. Examples are found in rural development or research and innovation programmes (multi purpose codes 430xx), in vocational training (11330) or in general institutional support to public administration (15100). No General Budget Support or programmes or un-earmarked funding to multilateral organisations are included in this reporting, even if at times disbursement conditions and indicators touch upon trade-relevant issues. Therefore the amounts reported can be said to underestimate the actual support that EU provides in the AfT framework.

It should also be noted that the change in methodology from Doha Database to the CRS and the new definitions create an incomparability of some figures over time. The amounts captured in the former database as "Trade Policy and Regulation" (cat. 1) and "Trade development" (cat. 2) are nowadays split into three categories, namely categories 1 and 2 and 6 "Other trade-related needs". Due to the definitions of codes in the CRS, it is not possible to continue counting some activities as TD, since they have different CRS purpose codes and so they are captured in category 6. It is therefore not possible to compare the figures for all individual categories with previous years. However, it would be correct to compare the evolution of the Trade-related assistance (categories 1, 2 and 6) globally, whereas TRI and BPC numbers can be compared individually.

3.1.3. *Support to the WTO Global AfT Review: Questionnaire and Indicators*

During 2008, the EU lent its support to the preparations for the next WTO Global AfT review, which is due to take place in July 2009. First, the EU engaged substantially with the OECD in the preparation of the donor and partner country questionnaires that will feed into the exercise. A key concern which has been addressed was that the questionnaires should make it possible to condense trends and results. The EU participated extensively in the efforts of the OECD to streamline reporting of AfT flows in the context of discontinuing the Doha Database and switching to exclusive use of the CRS database (See boxes 1 and 2). In so doing, it was able to ensure that reliable reporting on the AfT pledges made in the WTO could continue.

The EU has also worked with the WTO and other actors in order to help establish AfT indicators, intended to support the next global AfT review in the summer of 2009. The indicators, which are still in preparation, will complement the aggregated data collection and analysis with specific information country by country. This is expected to facilitate policy dialogue on key issues. The EU underlines the importance of ensuring the full participation of developing country stakeholders in the definition of indicators, not just at the level of the WTO representatives, but also in-country.

In the framework of its work with the OECD, the European Commission also financed the OECD Policy Dialogue on AfT in November 2008. This meeting brought together more than 200 practitioners, from both developing and industrialised economies and also from civil society and from national and international agencies. Discussions focused on (i) gaining a better understanding of the potential role of Aid for Trade as a development tool, (ii) sharing knowledge about best practices, particularly with respect to the implementation and evaluation of Aid for Trade programmes, (iii) the need to improve evaluation and monitoring - at national, regional, and global levels - of this initiative, to make sure that it is effectively delivering its results for the benefit of developing countries.

With regard to this last point - which proved to be a key issue - participants came to the conclusion that there is a need for wider use of regular, independent evaluations. It was suggested that, where possible, joint donor-partner evaluations should be undertaken in the future, as well as evaluations on both policy and programme level, and that these should be based more closely on comprehensive monitoring and evaluation frameworks.

3.1.4. *Enhanced Integrated Framework*

At the WTO Doha Round Ministerial Meeting in Hong Kong in December 2005, ministers agreed to strengthen what was then the Integrated Framework (IF) for Trade Related Assistance for LDCs. Since that time, the Enhanced Integrated Framework (EIF)¹⁰ has become the focus of great expectations and a symbol of the Aid for Trade Initiative at the WTO. During 2008, the EU remained a very active partner in the formulation of the EIF, which is now nearly ready to take off.

¹⁰ www.integratedframework.org The IF has two objectives: to "mainstream" (integrate) trade into the national development plans such as the Poverty Reduction Strategy Papers (PRSPs) of least-developed countries; and to assist in the co-ordinated delivery of trade-related technical assistance in response to needs identified by the LDC. The IF is built on the principles of country ownership and partnership.

Following the selection of the United Nations Office of Project Services (UNOPS) as Trust Fund Manager, the European Commission along with several Member States made substantial contributions to the multilateral trust fund, thereby delivering on the objective to secure predictable and long-term funding for the EIF. About two thirds of the IF trust fund is funded by the EU. According to the IF, eleven Member States and the Commission have acted as 'donor facilitators' in a total of 24 countries.

The most important aspect still under discussion is the monitoring and evaluation framework, which should be finalised at the beginning of 2009. This is important in order to ensure the sustainability of both the programme and individual projects. With the remaining legal and institutional elements falling into place over the coming months, the EIF is expected to start operational work by mid 2009 at the latest.

3.2. Developments in Strategic Frameworks, and progress in individual EU donor efforts to increase AfT demand and supply

3.2.1. Operational Strategic Frameworks responding to changing AfT demand

Whilst all Member States have signed up to the joint EU Aid for Trade Strategy, several Member States have also got specific, operational national strategies that are adapted to the specific contexts of their development aid. Of all the respondents, 11 Member States (*AT, BE, ES, FI, FR, IT, IR, LX, NL, SE, UK*) indicated that they have a specific strategy of this kind. Four Member States (*BU, DE, LV, LT*) indicated explicitly that their AfT work is directly in line with the EU Aid for Trade Strategy. The Slovak Republic intends to adopt guidelines this year. The European Commission applies the EU Aid for Trade Strategy, complemented by programming guidelines for the different regions.

23 out of the 27 Member States provide AfT; only five EU Member States have no AfT activities. All in all, these results point to further progress in the take up of AfT in the cooperation approaches and policies of the EU Member States. Many of the respondents indicate that their strategy has a specific pro-poor focus, but only a few are providing details of this.

Eleven Member States (*FR, BE, DE, EE, FI, IT, LT, LV, NL, SE, UK*) and the European Commission felt that demand for AfT had grown since 2005. Of those, FR felt that demand had increased significantly. Nine Member States felt that there was little or no change. Those Member States that had experienced an increased demand reported having taken various actions to respond to this, including: increased aid resources (9 respondents), increased in-house trade expertise (8 respondents), increased awareness of policy makers (8 respondents), strengthened political commitment (8 respondents), and, to a somewhat lesser extent, increased coordination among donors (5 respondents). Germany reported on the institutionalisation of inter-agency coordination through the setting up of a special working group; the UK also reported on institutional changes aimed at raising the profile of trade issues, as well as strengthening linkages with the country offices in this area.

3.2.2. AfT in EU Policy dialogue with partner countries

A prerequisite for scaling up AfT is that partner countries take charge of defining priorities and articulating them in their development strategies. The EU is committed to supporting this broadened inclusion of trade and AfT in partners' poverty reduction and national development strategies by 2010, by stepping up joint policy dialogue on AfT.

It is therefore surprising that in this year's questionnaire only the European Commission and the Netherlands L mentioned AfT concerns as being an important part of the policy dialogue with more than 75% of their partner countries. Five Member States (*DK, EE, FI, LT, SI*) indicated that the policy dialogue is important in 50 to 75% of partner countries. Seven Member States (*BE, ES, FR, IE, LU, LV and UK*) said that it is important in between 25 and 50% of partner countries. Six Member States (*AT, DE, EL, IT, PT, SE*) said it was important in less than 25% of partner countries. Seven ticked the "not sure/na" box. Whilst there could be some difference in interpretation across Member States, this suggests that whilst EU Member States increasingly have operational guidance in place to step up AfT efforts, AfT is still insufficiently mainstreamed in the policy dialogue that EU donors are having with partner countries.

Table 1: Overview of importance of AfT in EU Donors Policy Dialogues and Country Assistance Strategies

EU donor	AfT important part of Policy dialogue in more than 75% of partner countries	AfT important part of Policy dialogue in between 50 and 75% of partner countries	AfT important part of Policy dialogue in between 25 and 50% of partner countries	AfT important part of Policy dialogue in less than 25% of partner countries	<i>AfT present in more than 75% of Country Assistance Strategies</i>	<i>AfT present in between 50 and 75% of Country Assistance Strategies</i>	<i>AfT present in between 25 and 50% of Country Assistance Strategies</i>	<i>AfT present in less than 25% of Country Assistance Strategies</i>
AT				X				X
EC	X				X			
NL	X				X			
DE				X			X	
DK		X			X			
EE		X						
FI		X				X		
LT		X				X		
SI		X				X		
BE			X			X		
EL				X				X
ES			X					X
FR			X					X
IE			X				X	
IT				X				X
LU			X				X	
LV			X				X	
PT				X				X
SE				X			X	
UK			X				X	

More or less mirroring this picture, the European Commission, DK and NL indicated that the country assistance strategies contain trade or AfT elements in more than 75% of their partner countries. Five Member States (*BE, CZ, FI, LT, SI*) indicated that it does so in 50 to 75% of cases. Six Member States (*DE, IE, LU, LV, SE, UK*) indicated that this is the case in 25 to 50% of the country strategies. AT, ES, EL, FR, IT and PT indicated that AfT elements are present in less than 25% of country strategies. Seven replied "not sure/n.a".

4. PROGRESS AS REGARDS VOLUMES OF EU TRA AND AfT

The EU AfT Strategy sets out the EU approach for collectively delivering on its 2005 commitment to increase its Trade Related Assistance to €2 billion annually by 2010 (€1 billion from the European Community, €1 billion from the EU Member States). It also

commits the EU to increase its efforts in the wider Aid for Trade agenda 'in coherence with overall increases in ODA', but without setting absolute financial targets.

As discussed in detail in chapter 3, until 2006 the source for monitoring TRA was the Doha Database. From 2007 onwards, the annual monitoring of TRA volumes is based on the amounts reported to the OECD DAC¹¹ Creditor reporting System (CRS) by EU DAC members and on the individual replies of the European Commission¹² and EU Member States to the Monterrey questionnaire¹³. As explained in Box 2, the change in methodology from the Doha Database to the CRS and the consequent adjustment of reporting guidance has resulted in the incomparability of some figures over time. It is not possible to compare the figures for all individual categories with those of previous years. However, it would be correct to compare the evolution of the Trade-related assistance (categories 1, 2 and 6) globally, whereas TRI and BPC numbers can be compared individually.

4.1. EU delivery of TRA

Already last year's report signalled an important increase in the TRA of EU Member States: their total TRA commitments reported for 2006 amounted to €0.64 billion, having increased from an average of €0.36 billion between 2001 and 2004. For the European Commission, the figure was €0.94 billion. Since then, there has been an updating of the Member States figures, including by Germany which has made an inventory of its TRA activities, identifying several projects not previously included in its reporting and contributing to a substantial increase in the numbers for 2006. According to the new figures, Member States TRA in 2006 was **€0.89 billion**.

New figures indicate that the collective EU pledge was nearly met in 2007. The total reported commitments from EU Member States towards TRA in that year amounted to €0.96 billion, up 8% from (updated figures for) 2006. The Community, for its part, passed its 1 billion TRA target for the first time. It committed approximately €1.02 billion to TRA in 2007. The total EU volumes for the year 2007 towards TRA have thus reached €1.98 billion, indicating substantial EU progress towards reaching its targets of €1 + €1 billion by 2010.

¹¹ For information on OECD CRS statistics on Aid: http://www.oecd.org/department/0,3355,en_2649_34447_1_1_1_1_1,00.html

For direct access to the OECD International Development statistics online: <http://stats.oecd.org/WBOS/Default.aspx?DatasetCode=CRSNEW>

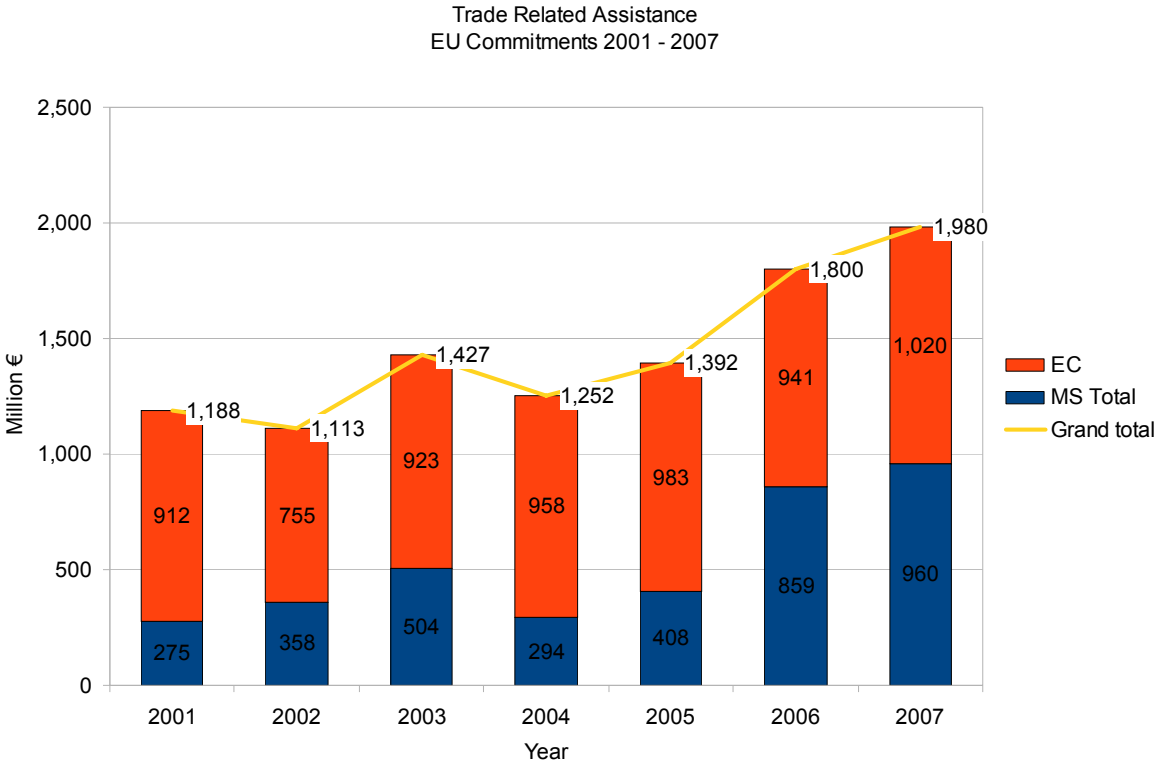
¹² EC volumes reported in this document include amounts committed by EC and by the EIB Group which are classified under the OECD definitions as ODA.

¹³ All OECD/DAC members received the questionnaire with an extract of its so called "CRS profile", also showing programmes marked as "Trade Development". As part of the questionnaire, donors were asked to verify whether the CRS profile provided a correct representation of the AfT provided by them. Where not, they were asked to provide additional information. In order to capture other programmes that may have been reported as TRA to the Doha Database in the past, the OECD also encourages donors to indicate "other" AfT support. In this year's reporting, nine out of the 16 EU donors (eight Member States, *AT, DK, EL, FI, FR, IT, LU, SE*, and the European Commission) reporting to the OECD/DAC CRS indicated that the CRS profile was a correct presentation of their AfT (including Trade Development) whilst seven said it was not. Four indicated that it was an underestimation. Of those reporting that figures were not correct, six provided additional information allowing to correct the figures. In cases where an alternative number was provided, the updated figures have been used in this report. Where no other information was provided, the CRS data has been used.

Reporting on TRA remains complex, and it is clear that the increase in TRA on the part of EU Member States reflects a certain correction of under-reporting of previous years, following the change in international AfT reporting practice in 2007/2008. Efforts to keep TRA at high levels must be sustained in the coming years, along with the commitment to increase funding of the broader AfT agenda.

The table and chart below summarise the total TRA volumes by EU donor between 2001 and 2007. For the period 2001-2005, data are drawn from the Doha Database¹⁴. For 2006 and 2007, the data come from the Doha Database or the CRS profiles, as confirmed/corrected by Member States responses to the Monterrey questionnaire.¹⁵ **Figures show a constant, substantial increase in TRA amounts over the period 2004-2007.**

Chart 1, EU TRA 2001 – 2007, Million €



Source: Doha Development Database, CRS profiles and responses to Monterrey questionnaire

¹⁴ For more information, see Aid for Trade monitoring report 2008; SEC(2008) 431 [http://ec.europa.eu/development/icenter/repository/SEC\(2008\)431%20Aid%20for%20Trade.pdf](http://ec.europa.eu/development/icenter/repository/SEC(2008)431%20Aid%20for%20Trade.pdf)

¹⁵ Further details are available in the annexed MS and EC donor sheets.

Table 2: EU commitments towards TRA between 2001 and 2007, expressed in million €

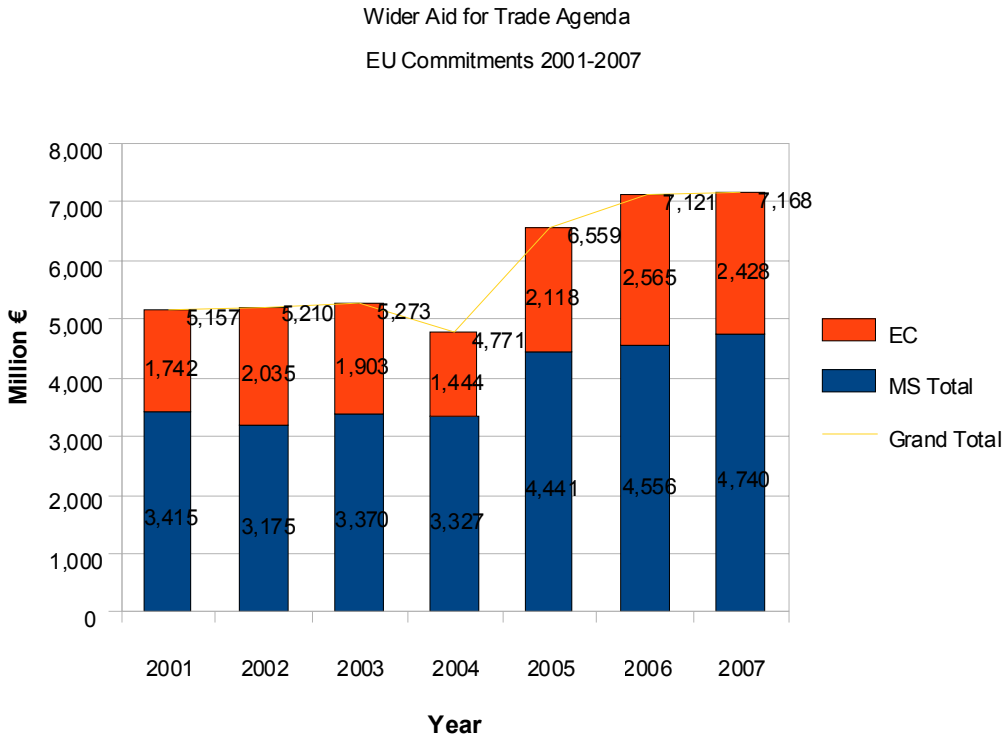
	2001	2002	2003	2004	2005	2006	2007	2001-2004 average	2005-2007 average
Austria	0.24	0.47	0.58	2.76	6.72	4.95	13.58	1.01	8.42
Belgium	9.89	8.05	51.09	38.64	26.81	23.71	33.57	26.92	28.03
Bulgaria	0	0	0	0	0	0	0	0	0
Cyprus	0	0	0	0	0	0	0	0	0
Czech Republic	0.48	0	0	0	0.06	0.03	0.12	0.12	0.07
Denmark	10.82	4.45	34.93	2.75	0.50	48.34	112.48	13.24	53.77
Estonia	0	0	0	0	0	0.01	0.04	0	0.02
Finland	4.09	5.82	9.20	0	16.05	30.53	1.60	4.78	16.06
France	9.65	125.90	85.47	56.90	85.47	147.77	214.94	69.48	149.39
Germany	90.86	76.52	91.07	68.67	90.89	243.16	223.71	81.78	185.92
Greece	4.38	6.03	2.37	1.03	0.06	3.52	6.09	3.45	3.22
Hungary	0.11	0	0.01	0	0	0	0	0.03	0
Ireland	0.44	0.40	0.59	0.30	0.69	7.10	10.40	0.43	6.06
Italy	7.11	4.49	2.68	7.16	1.86	5.73	15.51	5.36	7.70
Latvia	0	0	0	0	0	0.08	0.08	0	0.05
Lithuania	0	0	0	0	0	0.06	0.27	0	0.11
Luxembourg	0.25	0.05	0.01	0.04	0.04	0.34	0.13	0.09	0.17
Malta	0	0	0	0	0	0	0	0	0
Netherlands	44.68	54.58	125.27	65.19	76.16	195.24	126.08	72.43	132.49
Poland	0	0	0	0	0	0	0	0	0
Portugal	1.10	15.32	2.28	1.35	1.90	0.99	0.15	5.01	1.01
Romania	0	0	0	0	0	0	0.10	0	0.03
Slovakia	0	0	0	0	0	0	0	0	0
Slovenia	0	0	0	0	0	1.00	1.20	0	0.73
Spain	1.07	2.41	5.20	1.57	6.13	46.92	81.82	2.56	44.96
Sweden	10.21	4.58	17.31	8.60	31.05	22.07	55.07	10.18	36.06
United Kingdom	79.95	49.17	76.16	38.56	64.00	77.08	63.35	60.96	68.14
MS Total	275.33	358.24	504.22	293.52	408.39	858.64	960.30	357.83	742.44
EC	912.44	755.00	922.52	958.06	983.46	940.90	1,019.68	887.01	981.35
Grand total	1,187.77	1,113.24	1,426.74	1,251.58	1,391.85	1,799.54	1,979.98	1,244.83	1,723.79

Source: Doha Development Database except for amounts in *italics*, for which the data are drawn from the CRS and/or responses to the Monterrey questionnaire

4.2. EU delivery of wider Aid for Trade

As explained in Chapter 3, an approximation of the full bilateral AfT flows can be obtained by adding up CRS data for Trade Policy and Regulation, Trade Related Infrastructure and Building Productive Capacity, and then adding to this funding not classified under any of the other mentioned categories but flagged up by donors in the OECD AfT donor questionnaire as supporting “Other Trade-related needs”. **Using this methodology for the year 2007, Aid for Trade can be estimated at €4.74 billion from EU Member States and €2.43 billion from the European Community. Total EU Aid for Trade for 2007 thus reached €7.17 billion. In comparison, for the year 2006, total EU AfT can be estimated at €7.12 billion, €4.56 billion for EU Member States, and €2.57 billion for the European Community.**¹⁶

Chart 2: EU Commitments to the wider AfT agenda



Source: Doha Development Database, CRS profiles and responses to Monterrey questionnaire

¹⁶ The values reported have been obtained by including amounts reported by Member States and EC in their replies to the OECD/WTO Aid for Trade questionnaire sent in February 2009. The individual amounts and the totals don't necessarily reflect volumes of Aid as registered in the OECD CRS database. The three main reasons are:
 (i) only 15 of the 27 MS report to the OECD - the CRS database doesn't include AfT amounts from BG, CY, CZ, EE, HU, LT, LV, MT, PL, RO, SI, SK
 (ii) some MS and the EC reported that the OECD CRS volumes don't reflect their AfT correctly
 (iii) The information in the OECD Database may not include latest volumes reported by donors to the OECD as the database can be updated with revised figures when corrections are made. This also explains why volumes for 2006 reported this year may differ from those presented in last year's report. The volumes of AfT obtained from the OECD CRS Database for 2007 (download of February 2009) are as follows: EU MS € 4.72 billion; EC € 2.23 billion; Grand Total EU (EC+MS) € 6.95 billion

This methodology excludes from the analysis general budget support programmes and all non-earmarked support to multilateral organisations, as it is not possible to allocate general budget support amounts, or non-earmarked commitments to multilateral organisations under any of the Aid for Trade categories. **For these reasons, one might consider that amounts reported in the present document underestimate the actual volumes channelled by the EU in support of development of trade.**

Overall AfT commitments of the EU have increased steadily over the period 2004-2007, and **AfT has remained a priority in development cooperation for the EU as a whole.** Details are provided in Table 3.

Table 3: EU AfT versus EU ODA commitments¹⁷

EU Commitments	2001	2002	2003	2004	2005	2006	2007
AfT	5,157	5,210	5,273	4,771	6,559	7,121	7,168
ODA - bilateral Sector Allocable	10,387.6	12,371.38	14,745.76	18,990.81	20,111.06	24,096.25	27,255.73
% AfT/ODA bilateral Sector Allocable	49.65%	42.11%	35.76%	25.12%	32.61%	29.55%	26.30%
Total ODA	29,204.79	34,371.38	41,758.27	47,724.6	62,094.41	75,082.7	68,622.1
% AfT/ total ODA	17.66%	15.14%	12.63%	10.00%	10.56%	9.48%	10.45%

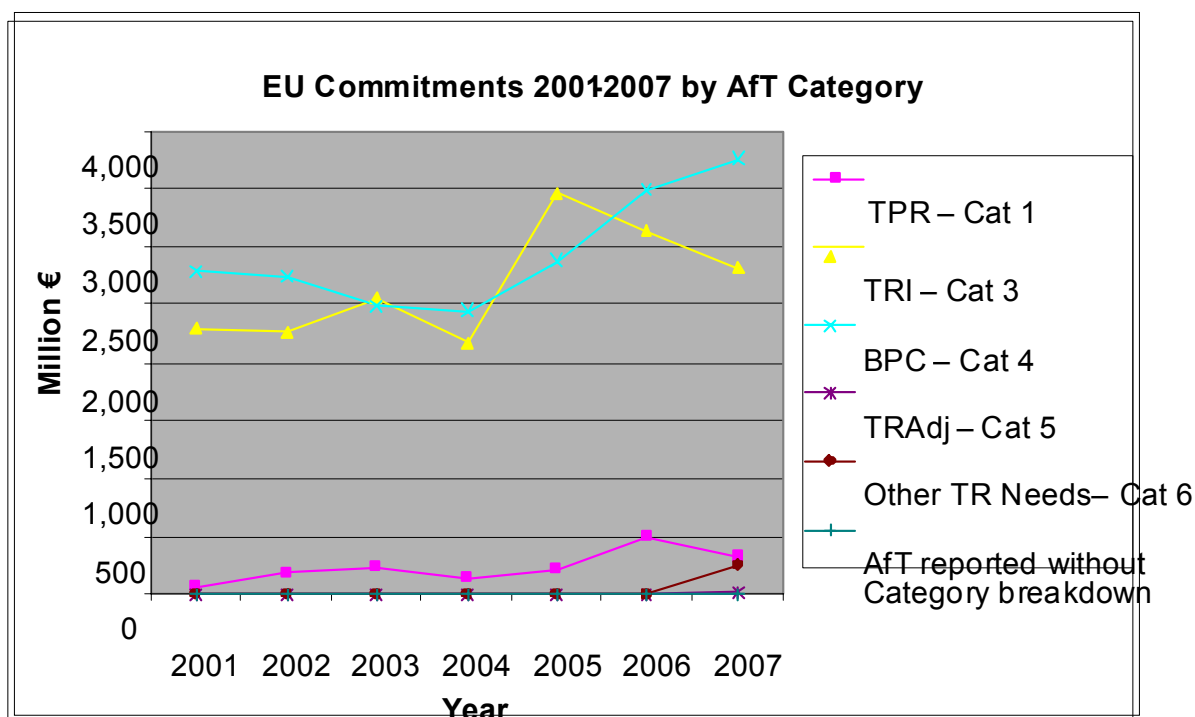
Source: OECD-STATS (DAC5; DAC1) and responses to Monterrey questionnaire

4.3. Developments in EU AfT per category

The following graph shows the trend in EU (Member States and European Community) AfT for each of the Aid for Trade categories. The data show an increase in spending for Trade Policy and Regulation (TPR); Trade-Related Infrastructure (TRI); and Building Productive Capacities (BPC, including Trade Development) for 2005/2006 as compared to previous years. Thereafter, there is a decline in Trade Related Infrastructure, although the levels remain higher than in all the years prior to 2004. Commitments to Productive Capacities have increased substantially since 2004. Trade Related Adjustment is just starting to emerge, with the European Community being the only donor supporting this issue. "Other trade related needs" account for a negligible share of the total. Details of European Community versus Member States' contributions to the different categories are provided in Annex 1.

¹⁷ It should be noted that contrary to the practice regarding general EU ODA reporting, the Aid for Trade reporting is made on commitments, not disbursements.

Chart 3. EU Aid for Trade by category, Million €



Source: CRS database

4.4. Geographical distribution of EU AfT

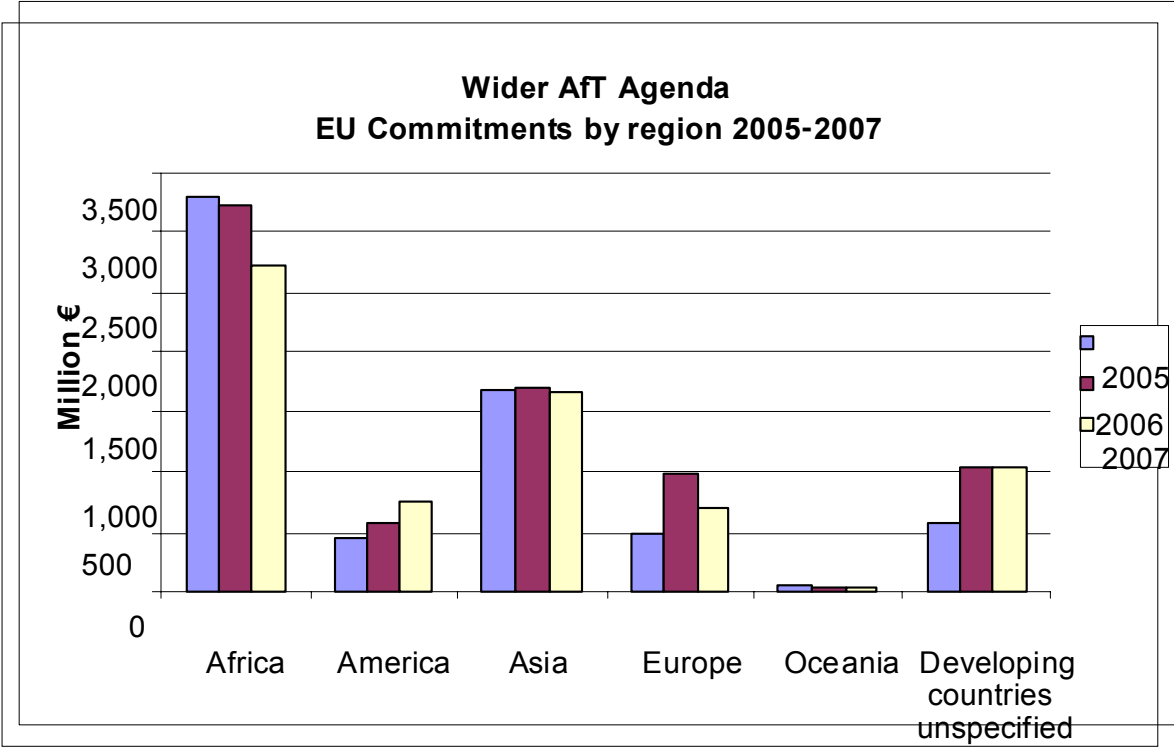
Of the 27 Member States, only 15 use the OECD CRS, while the others (*BG, CY, CZ, EE, HU, LT, LV, MT, PL, RO, SI, SK*) report volumes through the OECD/WTO questionnaire only. However, as not all Member States provide a detailed breakdown by region of their AfT volumes through the OECD/WTO AfT questionnaire, their support cannot be included in a consolidated analysis of AfT by region for 2007. The only way a regional analysis can be done at present is by using the OECD CRS database. Even though the OECD CRS database does not include AfT support from all EU donors, it is considered to be sufficiently reliable for the purposes of this analysis.¹⁸

On the basis of this analysis, Africa is confirmed as the region receiving most AfT (€2.73 billion in 2007 and 43.9% of total EU AfT in 2005-2007), followed by Asia (24.1%, with an increase in 2007 of BPC flows up to over €1 billion) and America (8.4%), which recorded the highest relative increase in 2007. Total EU AfT to "unspecified countries", which include global commitments, represent 12.1% of the total. This is illustrated in charts 4 and 5 below. Detailed information on distribution by region and by sector is available in Annex 2 and 3.

¹⁸ For instance the total EU AfT in 2005-2007 from the OECD CRS Database have a 10% difference compared to the volumes reported in Section 4.2, based on CRS+ Monterrey questionnaires. Total EU AfT in the CRS Database is € 6.95 billion, while the MS and the EC actually reported commitments in 2007 for € 7.17

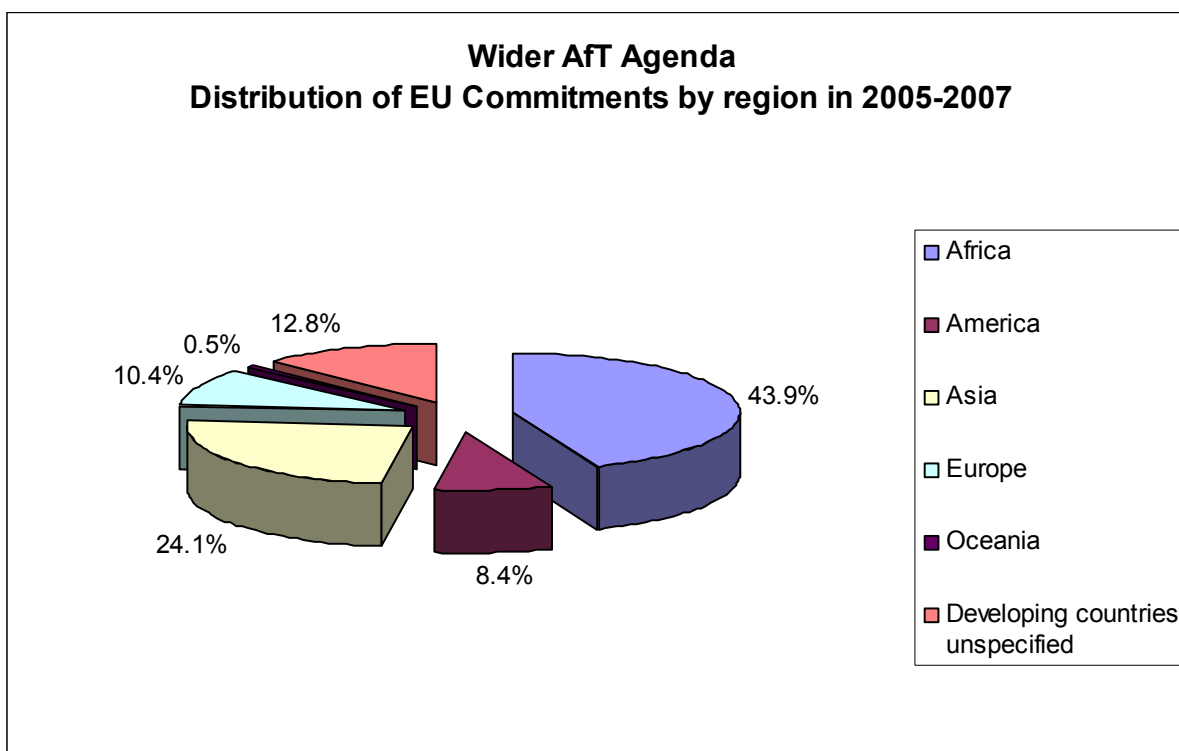
As the TD marker is not yet used systematically, it is not possible to analyse the distribution of TRA alone. This issue will have to be addressed in the coming years, by making consistent use of the TD marker.

Chart 4. EU Aid for Trade by region, million €



Source: CRS

Chart 5. EU Aid for Trade by region, distribution, %



Source: CRS

5. OUTLOOK FOR THE FUTURE

Ten of the 27 Member States (*CZ, DK, FI, FR, IE, LT, LU, NL, SE and UK*) and the European Commission replied that they have indicative forward spending plans that include estimates of AfT. However, from the details provided it was not possible to draw clear conclusions on the amounts that will be made available, except in a few cases. This is due to budgetary rules and the lack of sufficiently detailed multi-annual planning systems.

6. EU ALIGNMENT WITH AID EFFECTIVENESS PRINCIPLES IN AID FOR TRADE

6.1. Joint analysis, strategies, programmes, delivery and monitoring

Moving towards more joint and less dispersed AfT efforts is a key dimension of the EU AfT Strategy (as it is in the overarching development cooperation efforts of the EU). The EU will take joint action to respond to AfT needs identified by comprehensive needs assessments, and increasingly develop and apply joint implementation modalities, in cooperation with all partners.

This year's questionnaire has tried to capture the situation in this regard in some detail. However, as shown below, whilst many Member States have some experience of joint needs assessment, strategy formulation, programmes or delivery, these approaches are not common practice. This indicates that this is an area where important further work is required.

6.1.1. Joint needs assessment

Five Member States (*DK, IE, NL, SE, UK*) and the European Commission indicated that they had supported or were contributing to joint needs assessments in more than 30% of their partner countries. Two Member States (*DE and FI*) indicated that they did so or had done so in some 10 to 30% of their partner countries. Twelve Member States (*AT, BE, CY, CZ, EE, EL, FR, HU, IT, LT, LU, PT*) had experience of joint needs assessment in less than 10% of their partner countries¹⁹. Seven Member States did not answer this question. All in all, this is an important area in terms of the need for more work and effort. The answers are in line with last year's responses relating to the use of the Integrated Framework, which - despite a great deal of overarching EU commitment to the instrument - showed little direct Member State use of the tool.

Last year, nine Member States reported having undertaken joint analysis of trade situations.

6.1.2. Joint AfT strategy formulation

Four Member States (*DK, NL, SE, UK*) and the European Commission said that they had supported or were contributing to Joint AfT strategy formulation in more than 30% of their partner countries. One Member States, namely Finland, indicated that it had experience of joint strategy formulation in between 10 and 30% of its partner countries. Thirteen Member States (*AT, BE, CY, CZ, DE, EE, EL, FR, HU, IE, IT, LU, PT*) had experience of joint AfT strategy formulation in less than 10% of their partner countries²⁰. Eight Member States did not answer this question.

Last year, seven Member States reported having embarked on joint programming.

6.1.3. Joint aid for trade programmes

Three Member States (*DK, SE, UK*) indicated that they had supported or were contributing to Joint AfT programmes in more than 30% of their partner countries. Four Member States (*AT, FI, LV, SI*) indicated that they did or had done so in between 10 and 30 % of their partner countries. Thirteen Member States (*BE, CY, CZ, DE, EE, EL, FR, HU, IE, IT, LU, NL, PT*) and the European Commission had experience of joint AfT programmes in less than 10% of their partner countries²¹. Six Member States did not answer the question.

6.1.4. Pool funding

Five Member States (*DK, IE, NL, SE, UK*) indicated that they had supported or were contributing to pool funding in more than 30% of their partner countries. Two Member States (*AT and FI*) indicated that were contributing or had done so in some 10 to 30% of their partner countries. Eleven Member States (*BE, CY, CZ, DE, EE, EL, FR, HU, IT, LU, PT*) and

¹⁹ Nb: as formulated, the question does not allow to say whether all the 12 MS actually had an experience with joint needs assessment

²⁰ Nb: as formulated, the question does not allow to conclude that all these 13 MS actually had an experience with joint AfT strategy formulation

²¹ Nb: as formulated, the question does not allow to conclude that all these 13 MS actually had an experience with joint AfT programmes

the European Community were contributing or had done so in less than 10% of their partner countries²².

Last year, seven Member States reported experience of joint delivery in the broadest sense (not only pool funding).

6.1.5. *Delegated cooperation*

One Member States only, namely the Netherlands, had experience of delegated cooperation in more than 30% of its partner countries. Three Member States (*BE, FI, IE*) indicated that they had such experience in between 10 and 30% of their partner countries. Thirteen Member States (*AT, CY, CZ, DE, DK, EE, EL, FR, HU, IT, LU, PT, SE*) and the European Commission had experience of delegated cooperation in less than 10% of their partner countries²³. Eight Member States did not respond.

6.1.6. *Joint monitoring and evaluation*

Five Member States (*DK, IE, NL, SE, UK*) and the European Commission had supported or were contributing to Joint monitoring and evaluation in more than 30% of their partner countries. Fourteen Member States (*AT, BE, CY, CZ, DE, EE, EL, FI, FR, HU, IT, LU, NL, PT*) had experience of joint monitoring and evaluation in less than 10% of their partner countries²⁴.

All in all there appears to be room for major improvements in the area of closer collaboration between donors under government leadership. Much more work is required to ensure that Aid Effectiveness Principles are adhered to in AfT.

6.2. **Regional integration**

The EU AfT Strategy commits the EU to collectively upgrade AfT at regional level and to further strengthen its support for the implementation of regional integration strategies. It commits the EU to step up support to regional organisations' capacity to organise coordination and stakeholder involvement and to further identify and prioritise trade related needs. The Strategy commits the EU to provide adequate responses to the priorities thus defined, using joint delivery mechanisms where possible.

6.2.1. *Strategic importance*

Last year, eight Member States (*FI, FR, DE, ES, NL, SI, SE and the UK*) stated that they had strengthened their support for the implementation of regional integration strategies. This year, 17 Member States (*BE, BG, CZ, DE, DK, FI, FR, HU, IE, LT, LU, LV, NL, PT, RO, SE, SI*) highlighted the regional dimension as being important. UK and the European Commission indicated that it was essential. AT pointed out that it was a minor aspect of its AfT, and three Member States (*EL, ES, IT*) indicated that it was not present in their AfT, although ES did not

²² Nb: as formulated, the question does not allow to conclude that all these 14 MS actually had an experience with joint pool funding

²³ Nb: as formulated, the question does not allow to conclude that all these 13 MS actually had an experience with Delegated AfT Cooperation

²⁴ Nb: as formulated, the question does not allow to conclude that all these 14 MS actually had an experience with joint AfT evaluations

rule out the possibility that this might change in the future. The remaining five Member States (*CY, EE, MT, PL, SK*) ticked the "n.a/ not sure" box).

Some Member States pointed to specific measures that had been taken recently to address the regional level. This included the creation of specific cells within the administration to deal with regional issues (*BE*); specific directions sent to embassies (*BE*); specific mention or explanation of the rationale for increased efforts at regional level in the operational instructions/ AfT action plans of Member States (*FI*). Some Member States said that they were in the process of increasing bilateral cooperation with regional integration commissions and secretariats (*DE*). Some (e.g. Hungary) mentioned examples of regional projects.

France indicated that the consideration of the regional dimension takes place primarily through the handling of national demands in line with the EU AfT Strategy, and in particular the work on regional packages. Sweden said that regional integration is an important part of the Swedish Aid for Trade strategy, both as a means of enhancing regional South-South trade, but also as an important stepping stone to increased multilateral trade. Sweden is in the process of developing a new cooperation strategy for Africa, which will keep regional economic integration (including trade integration) as one of its main priorities.

The European Commission has supported extensive policy discussions on this matter in 2008, which were started off by the issuing of a new Communication on Regional Integration for Development in ACP countries²⁵, and recorded in the conclusions by the Council of the EU²⁶. It also drew attention to the ongoing work on regional AfT packages, outlined in Chapter 7 below.

6.2.2. Assessment of demand for regional support and factors determining the channelling of support

One Member States (*LT*) indicated that demand for regional support had increased significantly. Eight Member States (*BE, DE, EE, LV, FI, NL, SE UK*) and the European Commission said it had increased. Seven considered that it had remained relatively unchanged (*AT, CZ, EL, FR, HU, IE, SI*). (Six Member States ticked the n.a /don't know box).

Important factors in determining whether to support regions covered all those included in the questionnaire:

- "Relevance to ongoing regional trade agreements/ negotiations" was ticked by 15 respondents
- "Regional proximity/ support to neighbouring regional economic integration process" was ticked by 14 respondents
- "Cultural, linguistic or historical ties with the region" was ticked by 12 respondents
- "Existence of a viable counterpart at regional level" was ticked by 15 respondents
- "Request for assistance from a regional body" was ticked by 18 respondents
- "Availability of a clearly defined regional development strategy" was ticked by 13 respondents
- "Geographical concentration of donor activities" was ticked by 14 respondents

Germany pointed out that it has a range of regional concept and profile papers that are used as political guidelines for determining the focal areas of German support to the various countries

²⁵ Regional Integration for Development in ACP countries, Com (2008) 604 of 1 October 2008

²⁶ Council conclusions of 10 November 2008

and regions globally. Most regional support is currently given to African Regional Economic Communities (RECs), based on the decision that strengthening regional integration processes can provide major leverage to economic and political stability, growth and poverty reduction in the African regions.

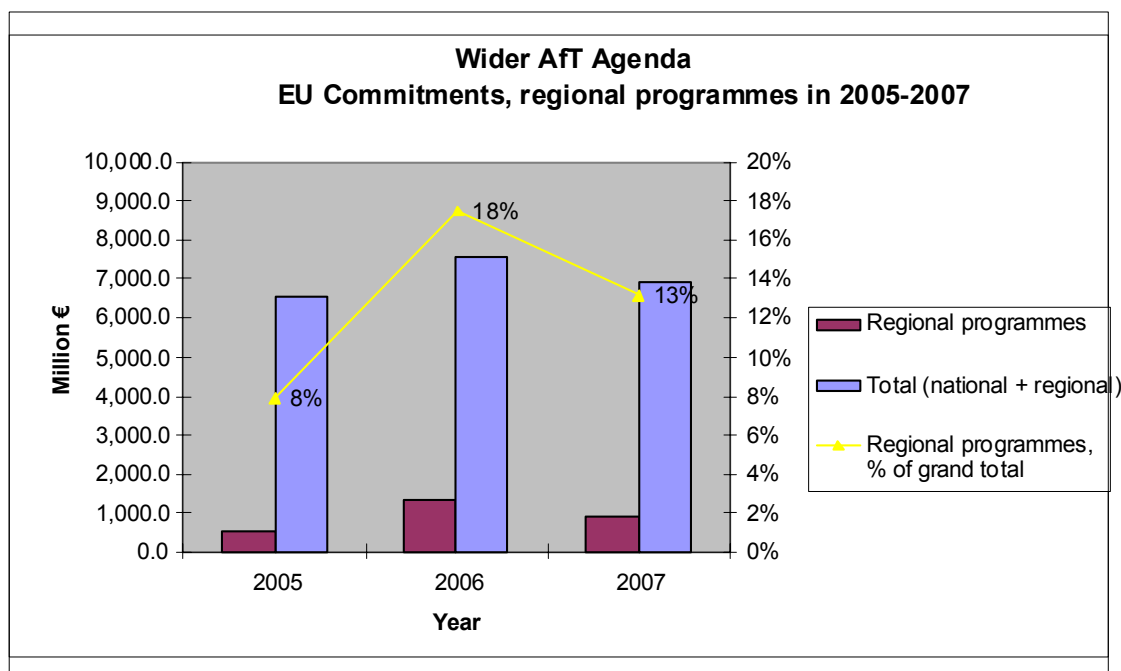
For the European Commission, the key factor to be considered is whether regions are engaged in regional integration processes and whether they need and request support for these efforts. Much emphasis is being placed at present on supporting regional organisations in the implementation of their mandates. A great deal of effort is going into supporting regional organisations defining and sequencing support priorities, supporting absorption capacity, supporting coordination with the Regional Organisations' national members, donors, and other stakeholders, supporting the effectiveness of various forms of regional delivery such as regional funds, etc.

6.2.3. Volumes of EU regional support

There has been an increase in the volume of EU regional support since 2005. Five Member States (*CZ, HU, LT, SE, UK*) and the European Commission indicated that regional support had increased by more than 30% in this period. Three Member States (*AT, DE, LV*) said it had increased by between 15 and 30 %. For *BE* and *SI* it had increased between 5 and 15%, whilst for *DK, EE, IE, and NL* it had increased by less than 5%. One Member State (*FR*) considered that their CRS profile did not allow to respond to the question. Spain said that, whilst it is not specifically tracking regional support at the present time, it does intend to improve data tracking in the future.

Chart 6 below indicates the share of EU Aid for Trade that is delivered at regional level. This is not synonymous with supporting regional integration, but it gives an indication of the presence of the regional dimension in EU Aid for Trade. As can be seen from the chart, the share of regional programmes in EU AfT (excluding "bilateral unspecified" commitments) was nearly a sixth of the total in 2007. There are important differences between the Community and the EU Member States, however. EU Member States regional programme funding moved from 4% to 9% of total AfT during the period 2005 to 2007. For the European Community, the corresponding figures were 17% and 22%(See Annex 4 for details.).

Chart 6: EU AfT delivered at regional level



7. ACP SPECIFIC ISSUES

Chart 7 and tables 4, 5 and 6 below provide information on bilateral and regional AfT to ACP countries/region, based on information drawn from the OECD CRS. The ACP share of total Member States AfT varies from 39% in 2005, to 22% in 2006, and back up to 27% in 2007. For the European Community, the figures were 71%, 62% and 53% respectively. The 2007 EU average was 36%, down from the level of 50% in 2005. Due to the fact that not all Member States are applying the trade development marker, it was not possible to calculate the percentage of EU TRA that goes to ACP.

In 2008, the EU paid particular attention to regional integration as an engine for development. On 1st October 2008, the Commission issued a Communication on "Regional integration for development in ACP countries"²⁷. This highlighted the contribution that regional integration can make to political stability (for instance through regional conflict resolution mechanisms), prosperity (through larger, more effective markets), to the provision of regional public goods (e.g. cross-border infrastructure) and to the solving of challenges (such as AIDS or the protection of natural resources and migration).

On 10 November 2008, the Council endorsed the five priorities that were advocated to enhance regional integration in the ACP countries: strengthening regional institutions, building regional integrated markets, supporting business development, connecting regional infrastructure networks and developing regional policies for sustainable development. It stressed that the priorities for European support for regional integration will need to be tailored to the priorities identified with each region. It recalled the importance of greater ownership of integration by the ACP and called on the Commission and the Member States to

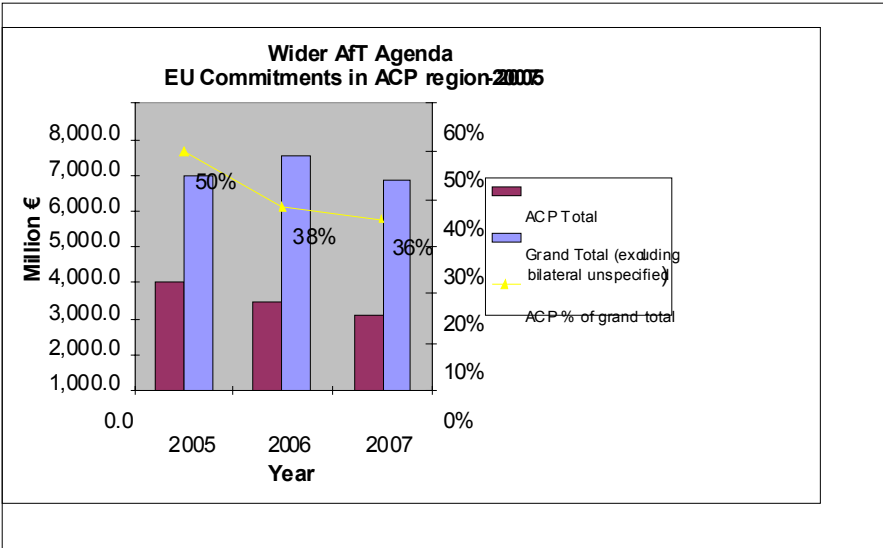
²⁷ Regional Integration for Development in ACP countries, Com (2008) 604 of 1 October 2008

intensify dialogue with the ACP countries on this topic. In this connection, the Council pointed out that the success of regional integration processes also requires national public institutions to be strengthened and more closely involved. It also underlined the importance of increased engagement with the private sector and civil society.

The Council reiterated its faith in economic partnership agreements (EPAs), which are intended to assist the development of ACP countries and are a key element, in the context of the ACP-EC partnership, in strengthening regional integration.

The Council also agreed to make headway with the preparation of regional AfT packages for the ACP. This will be a key area of EU work in 2009.

Chart 7: AfT to the ACP, Million €



Source: CRS

7.1. Regional AfT packages for the ACP

At the heart of efforts in 2008 has been work to step up support to ACP regional integration agendas and implementation of Economic Partnership Agreements (EPAs), in particular through the process of establishing what are known as *regional aid for trade packages* for the ACP, a commitment endorsed by the Council on 27 May 2008, and then again on 10 November 2008. . The role of the regional AfT packages is to support the regional integration agendas of the ACP countries by providing a coordinated and increased financial response from the EU (i.e. European Community and Member States) to the needs and priorities expressed by the ACP countries and regions, including for implementation of Economic Partnership Agreements that are agreed or being negotiated between the EU and ACP regions. Box 3 sets out the aims and principles of the packages.

Box 3: Aims and principles of the Regional AfT packages for the ACP

"The Council encourages the Commission and the Member States to continue working together to this purpose" {i.e. enhanced coordination and predictability in the planning and delivery of AfT contributions}, and welcomes the Commission initiative for the joint design with our ACP partners of specific EU Regional AfT packages for the ACP, including accompanying measures of regional EPAs, building on the 10th EDF regional programming process. These packages would be based on the following aims and principles:

- Supporting ACP owned regional integration agendas, including addressing needs arising from EPAs as well as from interim agreements;
- Providing an effective, coherent and concrete EU response to needs and priorities expressed by the ACP countries and regions, including in national and regional development plans;
- Fostering coordination among all donors and recipients;
- Covering, as appropriate, programmes falling under the six categories of AfT²⁸;
- Covering actions, ongoing and planned at national and regional level by the Commission, the Member States and, as far as possible, other donors; in this context, the Commission is invited to further involve Member States during the 10th EDF programming.

When planning and designing these packages, due consideration will be given to the principles and best practices agreed in the Paris Declaration on Aid Effectiveness and in the Code of Conduct on Complementarity and Division of Labour in Development Policy. To this end, the Council reconfirmed that the EU will support the technical capacity of regional and national ACP institutions for identifying, prioritising, designing, implementing and monitoring AfT programmes."

Source: Para 9 of Council conclusions of 27 May 2008.

Regional packages are prepared on a region by region basis. This involves identification of support needs and priorities at national and regional level, including costing, concrete planning and sequencing of activities, identification of responsible agencies; mapping of ongoing relevant activities; and, finally, matching of key gaps with financial responses from various actors, which include both ACP and EU as well as other donors. The key challenges are, on the one hand, to work through and towards joint regional strategies and, on the other, to mobilise additional financial support.

The regional integration organisations of the ACP countries are the natural leaders of this work, as coordinators of the regional integration processes. A challenge for them is to adequately involve their own members' stakeholders as well as EU and other donors in the needs assessment and prioritisation process. The EU is committed to supporting the regional organisations in these efforts, by financing studies, supporting policy dialogue on regional integration at national level, etc.

To support the development of the packages, the European Commission held meetings in 2008 to inform Member States about progress in EPA negotiations and in the respective integration efforts of each region; to promote the mapping of ongoing EU support for regional integration and trade; and to facilitate a coordinated response to ACP regional integration needs. The European Commission also seeks to ensure full involvement of EU Member States in the work of the Regional Preparatory Task Forces (RPTFs) (or equivalent bodies) which serve as a forum to channel information between the EPA negotiations and the development communities.

²⁸

In addition to TRA, this includes "trade-related infrastructure", "building productive capacity", "trade-related adjustment" and "other trade-related needs" as defined by the WTO Task Force on AfT.

The signing of the 10th EDF Regional Indicative Programmes (RIPs) in November 2008 can be seen as one milestone in the work to establish the packages. Together with the Commission, the ACP regional organisations have prepared the 10th EDF Regional Strategy Papers (RSPs), embedding the regional integration visions of the ACP countries, and also the Regional Indicative Programmes (RIPs), which constitute the main European Community support to these RSPs from 2008 to 2013. The 10th EDF regional programmes are the basis for EU support for regional AfT packages, although this support has still to be completed by EU Member States. With €1.78 billion being allocated to regional integration of ACP countries under the 10th EDF, the overall budget has almost doubled compared to the previous period of 2000-2007, reflecting the EU-ACP consensus on the importance of regional issues for development.

The European Community regional level support amounts to €645 million in ESA / IO; €116 million in SADC; €597 million in West Africa; €95 million for the Pacific; and €165 million for the Caribbean. An amount of €165 million is earmarked for the Central Africa region. Some EU Member States have also taken significant steps to increase support for regional integration.

Setting up the regional packages is quite an ambitious agenda, requiring unprecedented coordination efforts among a large number of stakeholders which currently may not all be fully represented at the regional level. This calls for very strong leadership by the regions. It is also quite clear that a major factor in the success of the packages is the effective involvement and support of the national ACP actors. The national level needs not only to actively endorse the execution of the mandates of the regional organisation. It also needs to support the definition of a coherent set of capacity priorities relevant to the regional strategy, implement trade related programmes that match regional integration agendas and prepare the countries for EPA implementation. The importance of the national ACP level will be an important consideration in the ongoing work in 2009. It should be noted, however, that processes are increasingly emerging in the different ACP regions on which further work can build (See box 4 on the West African process).

Box 4. PAPED, progressing towards a regional AfT package in West Africa

In the framework of the initiative "Aid for trade regional packages" the Commission has been working with EU Member States to prepare a "collective and coherent response" to the West Africa's EPA Development Programme (*Programme APE pour le Développement –PAPED*). The coordination has been carried out within the Regional Preparatory Task Force, bringing together the European Commission, EU-Member States, West Africa regional organisations (ECOWAS, UEMOA) and representatives from the countries in the region.

The EPA Development Programme has the general goal of building a competitive and harmonious regional economy that is integrated into the global economy and stimulates growth and sustainable development. Specifically, the programme is aimed at helping the West Africa region to derive full benefits from the opportunities offered by the EPA and address the adjustment costs, such as the fiscal impact of the trade liberalisation scheme. The EPA Development Programme is based on a broad definition of aid for trade.

Tables 4,5 and 6: AfT to ACP regions. Million €

Members States	2005				2006				2007			
	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL
Caribbean	1.87	24.02	28.63	54.52	0.45	3.61	16.31	20.37	0.00	2.88	19.20	22.09
Pacific	0.41	0.72	18.48	19.61	0.00	2.70	1.32	4.03	0.00	2.79	6.08	8.87
Sub Saharan Africa	22.25	790.31	623.62	1,436.18	28.66	284.30	585.64	898.61	11.05	371.38	645.73	1,028.16
ACP countries total	24.52	815.05	670.74	1,510.32	29.11	290.62	603.28	923.00	11.05	377.05	671.02	1,059.12
Grand Total (excluding bilateral unallocated)	73.00	2,032.47	1,808.00	3,913.48	90.84	1,987.15	2,029.44	4,107.42	36.73	1,616.15	2,292.19	3,945.07
ACP % of grand total	34%	40%	37%	39%	32%	15%	30%	22%	30%	23%	29%	27%

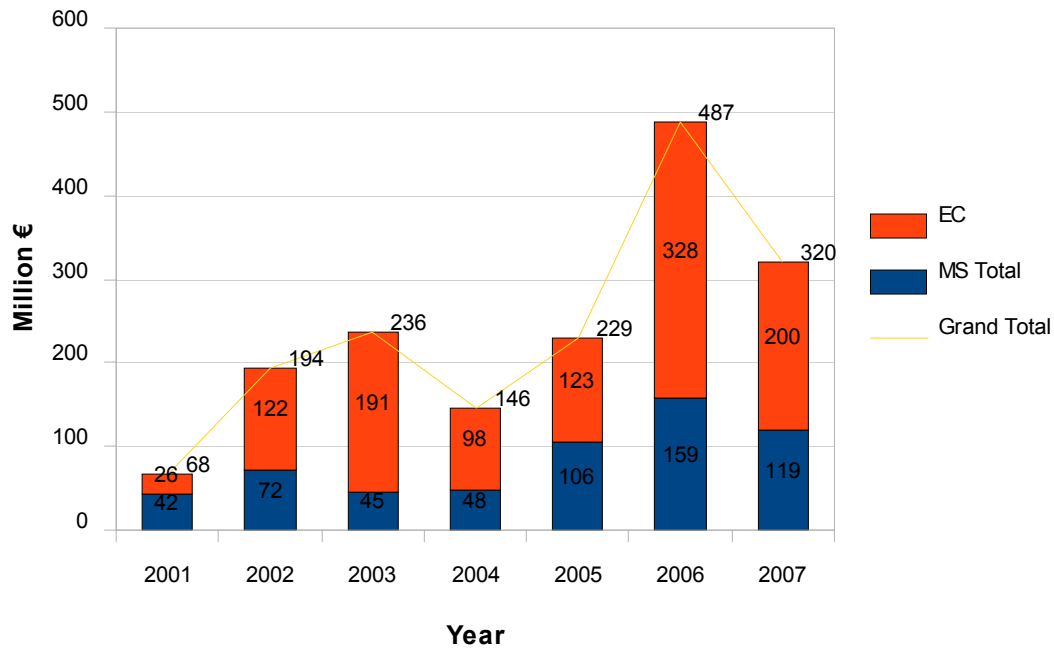
EC	2005				2006				2007			
	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL
Caribbean	2.60	14.87	44.98	62.46	45.50	24.027	66.38	135.91	2.32	24.00	75.87	102.18
Pacific	0.00	11.41	13.78	25.19	0.00	5.00	15.12	20.20	4.56	1.46	12.61	18.63
Sub Saharan Africa	62.70	999.88	314.829	1,377.42	118.12	884.50	416.52	1,419.14	111.91	539.70	266.03	917.63
ACP countries total	65.30	1,026.17	373.59	1,465.06	163.61	913.53	498.10	1,575.24	118.78	565.15	354.51	1,038.44
Grand Total (excluding bilateral unallocated)	120.99	1,282.19	650.95	2,054.14	294.22	1,298.87	802.43	2,395.52	174.790	989.926	780.37	1,945.08
ACP % of grand total	54%	80%	57%	71%	56%	70%	62%	66%	68%	57%	45%	53%

EU (Member States+EC)	2005				2006				2007			
	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL
Caribbean	4.47	38.90	73.61	116.98	45.95	27.64	82.69	156.27	2.32	26.88	95.07	124.26
Pacific	0.41	12.13	32.26	44.80	0.00	7.70	16.52	24.23	4.56	4.24	18.70	27.50
Sub Saharan Africa	84.95	1,790.19	938.45	2,813.59	146.78	1,168.81	1,002.16	2,317.75	122.96	911.08	911.76	1,945.79
ACP countries total	89.83	1,841.22	1,044.33	2,975.38	192.73	1,204.15	1,101.37	2,498.24	129.84	942.205	1,025.52	2,097.56
Grand Total (excluding bilateral unallocated)	193.99	3,314.67	2,458.96	5,967.61	385.06	3,286.02	2,831.87	6,502.94	211.51	2,606.07	3,072.56	5,890.15
ACP % of grand total	46%	56%	42%	50%	50%	37%	39%	38%	61%	36%	33%	36%

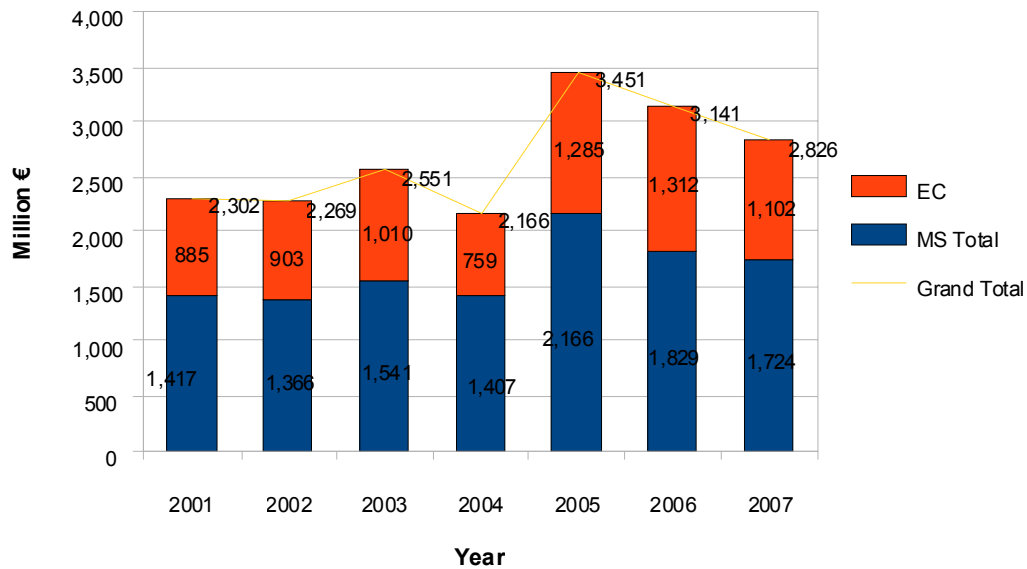
Source: CRS

Annex 1: Details of EC and Member States commitments to the different AfT categories

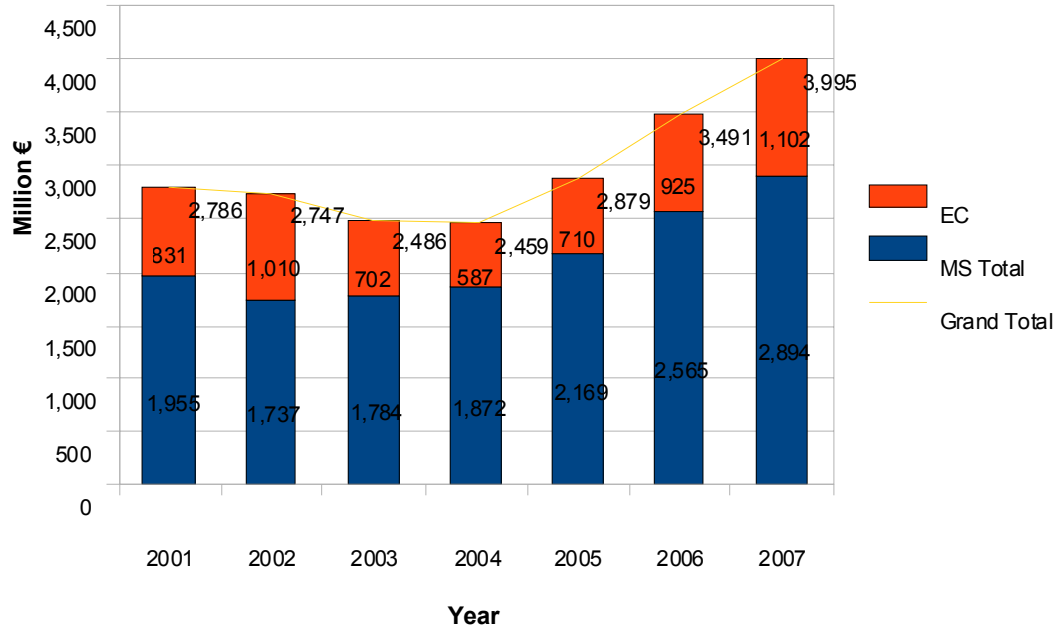
Trade Policy and Regulation
EU Commitments 2001-2007



Trade Related Infrastructure
EU Commitments 2001-2007



Building Productive Capacity
EU Commitments 2001-2007



EU Aid for Trade from 2001 – 2006 expressed in million €

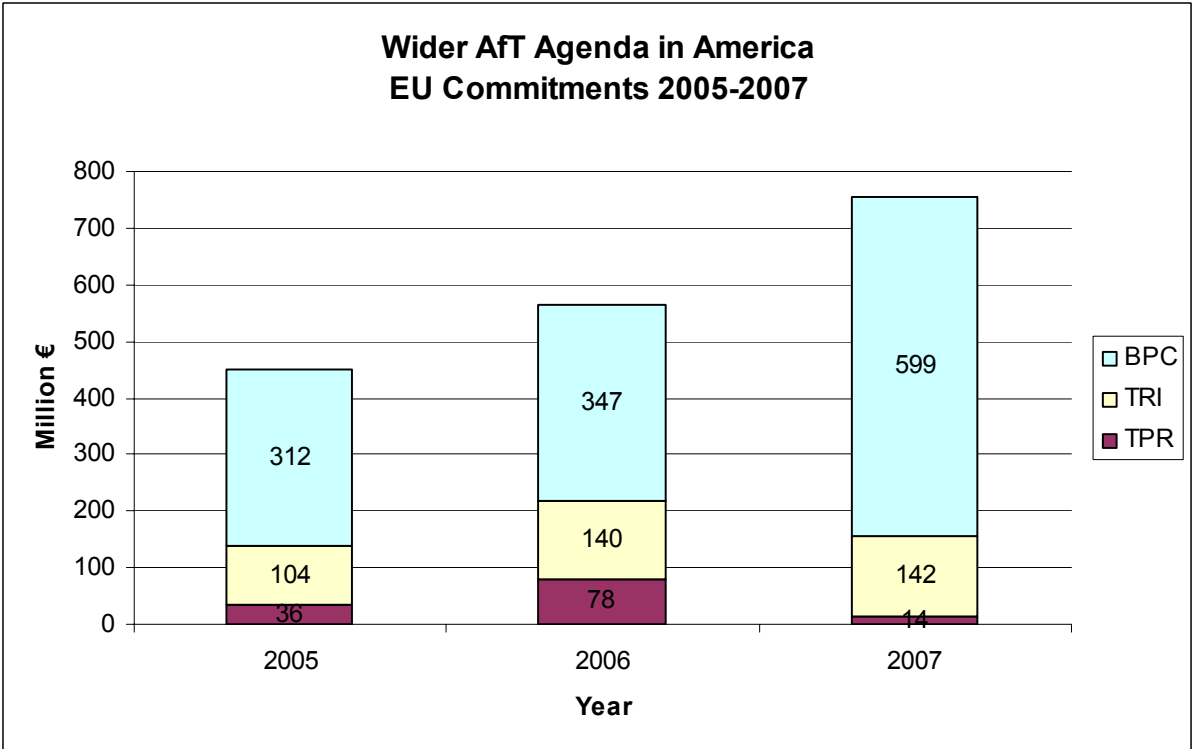
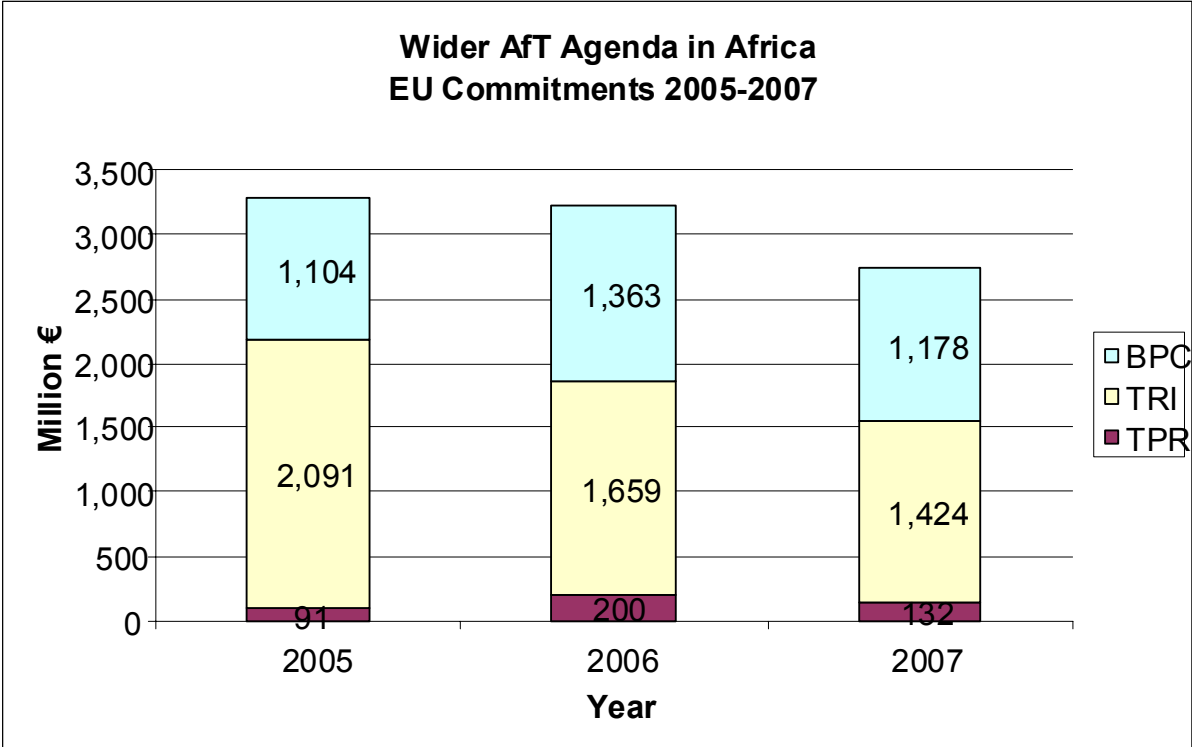
Member States	2001	2002	2003	2004	2005	2006	2007
TPR – Cat 1	42.00	72.00	45.00	48.00	106.00	157.70	117.15
TRI – Cat 3	1,417.00	1,366.00	1,541.00	1,407.00	2,166.00	1,829.60	1,722.50
BPC – Cat 4	1,955.00	1,737.00	1,784.00	1,872.00	2,169.00	2,568.82	2,893.00
TRAdj – Cat 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other TR Needs – Cat 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AfT (No category specified)	0.59	0.00	0.01	0.00	0.06	2.92	2.52
Total MS AfT	3,414.59	3,175.00	3,370.01	3,327.00	4,441.06	4,559.05	4,735.17

EC	2001	2002	2003	2004	2005	2006	2007
TPR – Cat 1	26.00	122.00	191.00	98.00	123.00	327.70	198.27
TRI – Cat 3	885.00	903.00	1,010.00	759.00	1,285.00	1,312.30	1,101.52
BPC – Cat 4	831.00	1,010.00	702.00	587.00	710.00	925.15	861.71
TRAdj – Cat 5	0.00	0.00	0.00	0.00	0.00	0.00	14.18
Other TR Needs – Cat 6	0.00	0.00	0.00	0.00	0.00	0.00	249.83
AfT (No category specified)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total EC AfT	1,742.00	2,035.00	1,903.00	1,444.00	2,118.00	2,565.14	2,425.51

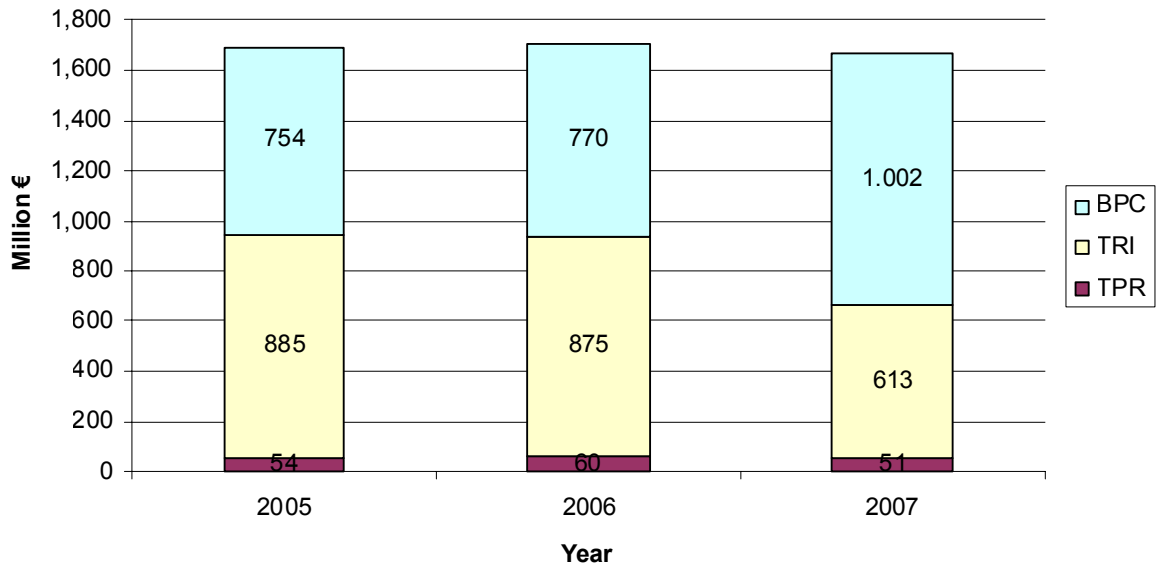
EU (MS + EC)	2001	2002	2003	2004	2005	2006	2007
TPR – Cat 1	68.00	194.00	236.00	146.00	229.00	485.40	315.42
TRI – Cat 3	2,302.00	2,269.00	2,551.00	2,166.00	3,451.00	3,141.90	2,824.02
BPC – Cat 4	2,786.00	2,747.00	2,486.00	2,459.00	2,879.00	3,493.97	3,754.70
TRAdj – Cat 5	0.00	0.00	0.00	0.00	0.00	0.00	14.18
Other TR Needs – Cat 6	0.00	0.00	0.00	0.00	0.00	0.00	249.83
AfT (No category specified)	0.59	0.00	0.01	0.00	0.06	2.92	2.52
Total EU AfT	5,156.59	5,210.00	5,273.01	4,771.00	6,559.06	7,124.19	7,160.67

Source: OECD-CRS. EU Member States: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom) and Monterrey questionnaire

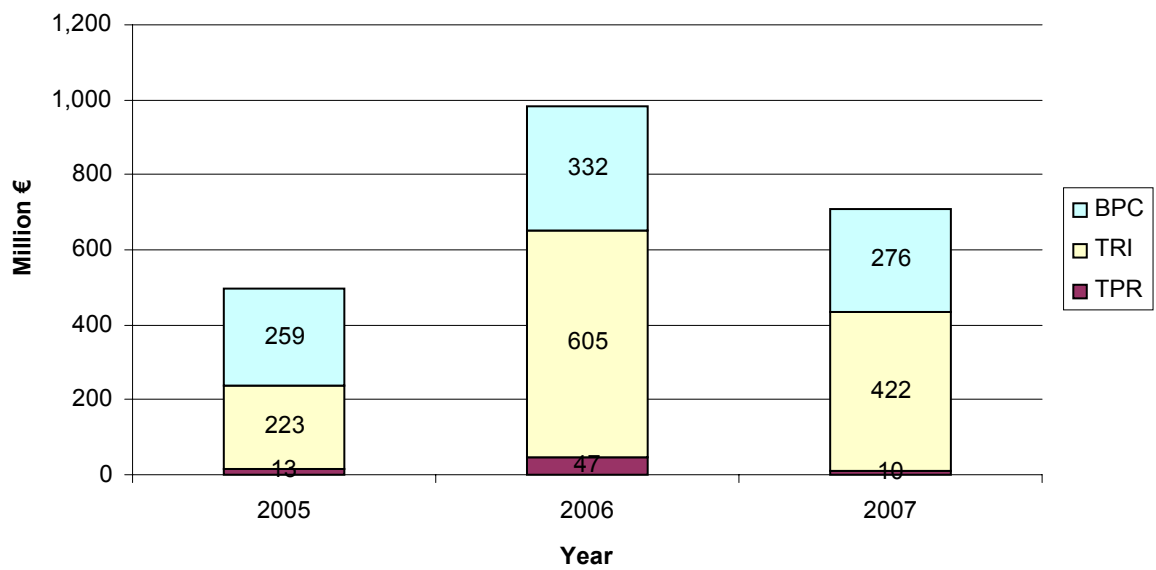
Annex 2: Geographical distribution per category of the wider AfT agenda. EU commitments 2005- 2007. Million €. Source: CRS



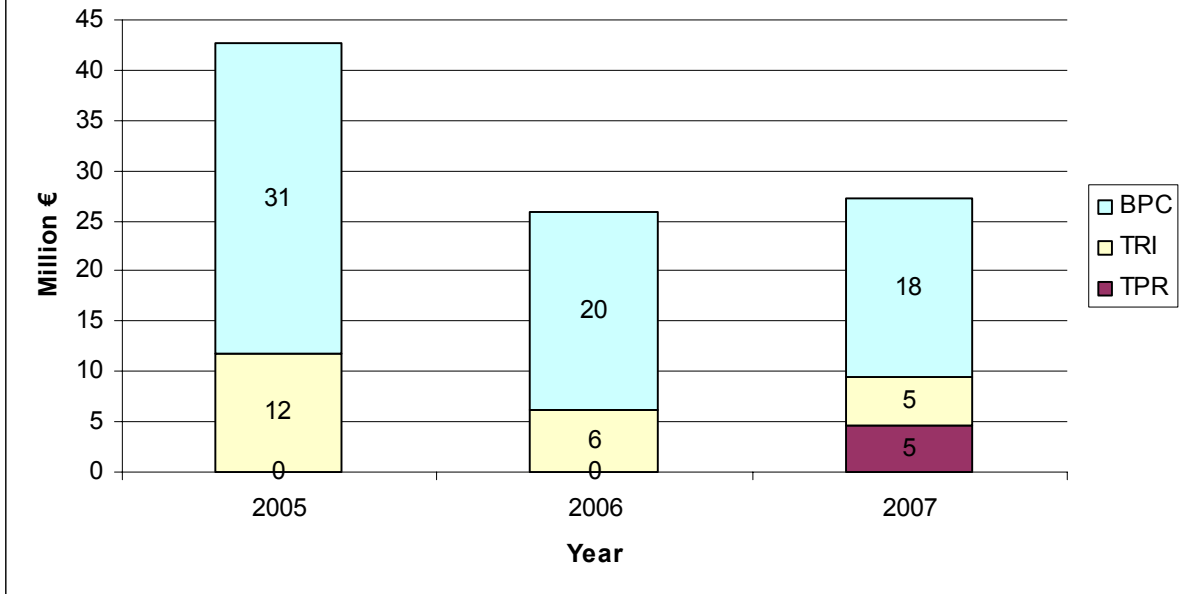
Wider AfT Agenda in Asia EU Commitments 2005-2007



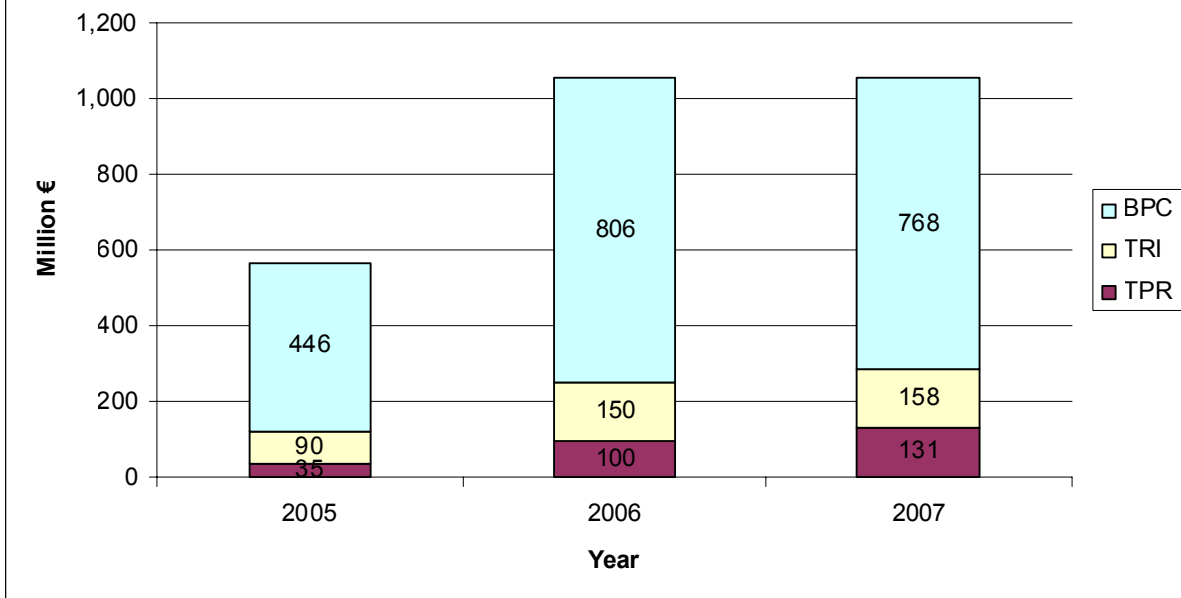
Wider AfT Agenda in Europe EU Commitments 2005-2007



**Wider AfT Agenda in Oceania
EU Commitments 2005-2007**



**Wider AfT Agenda in developing countries (unspecified)
EU Commitments 2005-2007**



Annex 3: EU Aft: Geographical breakdown by donors and sectors 2005 – 2007. Million €

Member States		2005				2006				2007			
		TPR	TRI	BPC	Total	TPR	TRI	BPC	Total	TRP	TRI	BPC	Total
Africa		28.33	1,071.86	751.38	1,851.57	65.79	647.10	878.40	1,591.29	16.31	884.16	835.82	1,736.28
Africa	North of Sahara	3.88	280.06	101.22	385.16	0.08	349.01	238.16	587.24	0.63	496.52	89.29	586.44
	South of Sahara	22.25	790.31	623.62	1,436.18	28.66	284.30	585.64	898.61	11.05	371.38	645.73	1,028.16
	Africa, regional	2.21	1.49	26.53	30.23	37.05	13.79	54.60	105.44	4.63	16.26	100.79	121.69
America		13.94	38.03	212.54	264.51	9.51	91.34	233.82	334.67	3.65	94.24	397.57	495.45
America	North & Central America	2.73	31.03	76.74	110.51	9.06	8.49	74.83	92.37	3.26	52.81	138.36	194.42
	South America	0.09	4.81	128.89	133.79	0.45	82.74	120.62	203.81	0.25	34.58	246.20	281.03
	America, regional	11.12	2.19	6.90	20.21	0.00	0.11	38.38	38.49	0.14	6.86	13.01	20.01
Asia		29.72	843.12	658.54	1,531.37	14.40	836.44	646.95	1,497.80	11.28	556.54	925.50	1,493.32
Asia	Far East Asia	6.66	316.14	318.54	641.34	0.93	535.39	238.03	774.34	5.44	237.61	364.05	607.10
	South & Central Asia	21.41	434.79	247.48	703.68	2.15	259.01	371.34	632.50	3.48	274.90	410.86	689.24
	Middle East	1.00	88.04	68.11	157.15	0.60	7.66	20.79	29.06	2.25	35.07	139.00	176.32
	Asia, regional	0.65	4.15	24.40	29.20	10.72	34.38	16.79	61.90	0.11	8.95	11.59	20.65
Europe		1.01	79.05	168.50	248.56	1.14	411.04	269.82	682.00	5.49	79.95	128.12	213.55
Oceania		0.00	0.41	17.05	17.46	0.00	1.23	0.44	1.67	0.00	1.26	5.19	6.46
Developing countries unspecified		33.31	87.20	373.20	493.71	66.12	136.96	683.04	886.11	93.34	46.66	632.64	772.64
Grand Total		106.31	2,119.67	2,181.21	4,407.19	156.95	2,124.11	2,712.48	4,993.54	130.06	1,662.81	2,924.83	4,717.70

European Community		2005				2006				2007			
		TPR	TRI	BPC	Total	TPR	TRI	BPC	Total	TRP	TRI	BPC	Total
Africa		62.70	1,018.89	352.37	1,433.96	134.17	1,011.80	484.77	1,630.74	115.26	539.69	342.03	996.98
Africa	North of Sahara	0.00	19.00	37.54	56.55	16.00	42.30	30.00	88.30	0.00	0.00	40.00	40.00
	South of Sahara	62.70	999.89	314.83	1,377.42	118.11	884.50	416.52	1,419.13	111.91	539.69	266.03	917.63
	Africa, regional	0.00	0.00	0.00	0.00	0.05	85.00	38.25	123.30	3.35	0.00	36.00	39.35
America		21.60	65.87	99.32	186.80	68.75	49.12	113.09	230.96	10.15	48.21	201.17	259.53
America	North & Central America	7.60	14.88	61.52	84.00	62.50	24.74	53.72	140.96	3.75	38.11	59.22	101.08
	South America	14.00	51.00	37.80	102.80	6.25	0.37	38.88	45.50	6.40	10.10	46.94	63.44
	America, regional	0.00	0.00	0.00	0.00	0.00	24.00	20.50	44.50	0.00	0.00	95.00	95.00
Asia		24.69	42.15	95.00	161.84	45.61	38.56	123.12	207.29	40.02	56.70	76.89	173.61
Asia	Far East Asia	7.29	0.85	0.00	8.13	18.30	2.39	20.89	41.58	21.57	0.00	3.29	24.85
	South & Central Asia	2.40	36.31	2.00	40.71	17.80	28.87	22.23	68.90	3.45	44.70	13.60	61.75
	Middle East	15.00	4.50	93.00	112.50	6.50	7.30	60.00	73.80	15.01	0.00	20.00	35.01
	Asia, regional	0.00	0.50	0.00	0.50	3.01	0.00	20.00	23.01	0.00	12.00	25.00	37.00
Europe		12.00	143.87	90.48	246.35	45.70	194.39	62.21	302.30	4.81	341.70	147.67	494.17
Oceania		0.00	11.41	13.78	25.19	0.00	5.00	19.24	24.24	4.56	3.62	12.61	20.79
Developing countries unspecified		2.04	2.32	72.80	77.16	33.48	13.43	122.71	169.62	37.66	111.59	135.60	284.86
Grand Total		123.03	1,284.52	723.76	2,131.30	327.70	1,312.30	925.15	2,565.14	212.45	1,101.52	915.97	2,229.94

EU (MS + EC)		2005				2006				2007			
		TPR	TRI	BPC	Total	TPR	TRI	BPC	Total	TRP	TRI	BPC	Total
Africa		91.03	2,090.75	1,103.75	3,285.53	199.95	1,658.90	1,363.17	3,222.03	131.57	1,423.85	1,177.85	2,733.27
Africa	North of Sahara	3.88	299.06	138.77	441.71	16.08	391.31	268.16	675.54	0.63	496.52	129.29	626.44
	South of Sahara	84.95	1,790.19	938.45	2,813.59	146.78	1,168.81	1,002.16	2,317.75	122.96	911.08	911.76	1,945.79
	Africa, regional	2.21	1.49	26.53	30.23	37.10	98.79	92.85	228.74	7.98	16.26	136.79	161.04
America		35.54	103.91	311.86	451.31	78.26	140.46	346.92	565.63	13.80	142.45	598.73	754.98
America	North & Central America	10.33	45.91	138.26	194.50	71.56	33.23	128.54	233.33	7.00	90.92	197.58	295.51
	South America	14.09	55.81	166.69	236.59	6.70	83.12	159.49	249.31	6.65	44.68	293.14	344.47
	America, regional	11.12	2.19	6.90	20.21	0.00	24.11	58.88	82.99	0.14	6.86	108.01	115.01
Asia		54.40	885.28	753.54	1,693.21	60.01	875.00	770.08	1,705.09	51.30	613.24	1,002.39	1,666.93
Asia	Far East Asia	13.94	316.98	318.54	649.47	19.22	537.78	258.92	815.92	27.01	237.61	367.34	631.95
	South & Central Asia	23.81	471.10	249.48	744.39	19.95	287.88	393.57	701.40	6.92	319.60	424.46	750.99
	Middle East	16.00	92.54	161.11	269.65	7.10	14.96	80.79	102.86	17.26	35.07	159.00	211.33
	Asia, regional	0.65	4.65	24.40	29.70	13.73	34.38	36.79	84.91	0.11	20.95	36.59	57.65
Europe		13.01	222.92	258.98	494.91	46.84	605.42	332.03	984.30	10.30	421.64	275.78	707.73
Oceania		0.00	11.82	30.83	42.65	0.00	6.23	19.67	25.90	4.56	4.88	17.80	27.25
Developing countries unspecified		35.35	89.52	446.01	570.88	99.60	150.39	805.75	1,055.74	130.99	158.26	768.24	1,057.49
Grand Total		229.34	3,404.19	2,904.96	6,538.49	484.65	3,436.41	3,637.62	7,558.68	342.51	2,764.33	3,840.80	6,947.64

Annex 4. EU support delivered at regional level 2005 – 2007. Million €. Source: CRS database

Members States	2005				2006				2007			
	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL
Africa, regional	2.21	1.49	26.53	30.23	37.05	13.79	54.60	105.44	4.63	16.26	100.79	121.69
North of Sahara, regional	0.75	0.40	5.04	6.20	0.00	0.79	5.08	5.87	0.00	1.04	4.62	5.67
South of Sahara, regional	4.13	2.40	13.71	20.25	7.43	8.78	28.12	44.33	2.14	6.05	12.61	20.80
America, regional	11.12	2.19	6.90	20.21	0.00	0.11	38.38	38.49	0.14	6.86	13.01	20.01
North & Central America, regional	0.00	4.46	4.88	9.34	0.33	2.83	10.04	13.20	1.90	44.70	32.92	79.52
South America, regional	0.00	0.01	8.64	8.65	0.00	70.15	24.78	94.93	0.00	4.84	32.97	37.81
Asia, regional	0.65	4.15	24.40	29.20	10.72	34.38	16.79	61.90	0.11	8.95	11.59	20.65
Central Asia, regional	0.00	0.00	4.84	4.84	0.00	10.27	15.88	26.15	0.00	0.04	5.43	5.47
South & Central Asia, regional	0.00	2.66	0.53	3.18	0.00	0.00	4.92	4.92	0.00	0.00	2.02	2.02
South Asia, regional	0.00	0.00	0.67	0.67	0.00	10.96	10.39	21.35	0.00	2.00	16.11	18.11
Far East Asia, regional	0.00	0.00	0.00	0.00	0.00	0.00	38.25	38.25	0.00	3.80	16.22	20.02
Middle East, regional	0.96	0.00	1.57	2.53	0.49	0.05	0.53	1.07	0.47	3.98	20.76	25.22
West Indies Unallocated	0.29	0.00	0.31	0.61	0.44	0.00	0.00	0.44	0.00	0.00	0.00	0.00
Europe, regional	0.48	0.16	14.33	14.96	0.55	0.00	156.36	156.91	0.76	2.49	33.61	36.85
States Ex-Yugoslavia	0.00	0.00	0.10	0.10	0.00	0.00	0.15	0.15	0.00	0.00	0.11	0.11
Oceania, regional	0.00	0.41	4.36	4.77	0.00	1.16	0.00	1.16	0.00	0.19	0.00	0.19
Total regional funds	20.60	18.34	116.81	155.74	57.02	153.27	404.27	614.56	10.15	101.20	302.78	414.13
Total (national + regional funds)	106.31	2,119.67	2,181.21	4,407.19	156.95	2,124.11	2,712.48	4,993.54	130.06	1,662.81	2,924.83	4,717.70
Regional funds % of total	19%	1%	5%	4%	36%	7%	15%	12%	8%	6%	10%	9%

European Community	2005				2006				2007			
	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL
Africa, regional	0.00	0.00	0.00	0.00	0.05	85.00	38.25	123.30	3.35	0.00	36.00	39.35
North of Sahara, regional	0.00	2.50	32.50	35.00	0.00	7.30	30.00	37.30	0.00	0.00	0.00	0.00
South of Sahara, regional	62.70	80.20	26.44	169.34	108.51	38.97	105.85	253.33	98.72	8.05	71.31	178.09
America, regional	0.00	0.00	0.00	0.00	0.00	24.00	20.50	44.50	0.00	0.00	95.00	95.00
North & Central America, regional	0.00	0.00	0.00	0.00	7.00	0.00	0.00	7.00	1.42	17.22	7.90	26.54
South America, regional	4.00	51.00	6.00	61.00	6.25	0.27	0.00	6.52	2.00	7.00	0.00	9.00
Asia, regional	0.00	0.50	0.00	0.50	3.01	0.00	20.00	23.01	0.00	12.00	25.00	37.00
Central Asia, regional	0.00	0.00	0.00	0.00	0.00	18.00	0.00	18.00	0.30	0.00	5.00	5.30
South & Central Asia, regional	0.00	13.01	0.00	13.01	0.00	3.07	0.00	3.07	0.00	0.00	0.00	0.00
South Asia, regional	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.59	0.00	0.00	2.59
Far East Asia, regional	7.29	0.00	0.00	7.29	0.00	0.00	0.00	0.00	0.65	0.00	0.00	0.65
Middle East, regional	0.00	4.50	32.50	37.00	0.00	7.30	30.00	37.30	0.00	0.00	0.00	0.00
West Indies Unallocated	2.60	0.00	0.00	2.60	40.50	10.00	4.50	55.00	1.55	0.00	0.00	1.55
Europe, regional	0.00	15.00	3.00	18.00	0.00	82.86	1.03	83.89	1.00	75.40	14.01	90.41
States Ex-Yugoslavia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oceania, regional	0.00	0.00	13.00	13.00	0.00	5.00	11.65	16.65	1.40	2.35	10.61	14.36
Total regional funds	76.59	166.71	113.44	356.74	165.33	281.77	261.78	708.87	112.98	122.03	264.83	499.83
Total (national + regional funds)	123.03	1,284.52	723.76	2,131.30	327.70	1,312.30	925.15	2,565.14	212.45	1,101.52	915.97	2,229.94
Regional funds % of grand total	62%	13%	16%	17%	50%	21%	28%	28%	53%	11%	29%	22%

EU (Member States +European Community)	2005				2006				2007			
	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL	TPR	TRI	BPC	TOTAL
Africa, regional	2.21	1.49	26.53	30.23	37.10	98.79	92.85	228.74	7.98	16.26	136.79	161.04
North of Sahara, regional	0.75	2.90	37.54	41.20	0.00	8.09	35.08	43.17	0.00	1.04	4.62	5.67
South of Sahara, regional	66.83	82.60	40.15	189.59	115.94	47.75	133.97	297.66	100.87	14.10	83.92	198.89
America, regional	11.12	2.19	6.90	20.21	0.00	24.11	58.88	82.99	0.14	6.86	108.01	115.01
North & Central America, regional	0.00	4.46	4.88	9.34	7.33	2.83	10.04	20.20	3.32	61.92	40.82	106.05
South America, regional	4.00	51.01	14.64	69.65	6.25	70.42	24.78	101.45	2.00	11.84	32.97	46.81
Asia, regional	0.65	4.65	24.40	29.70	13.73	34.38	36.79	84.91	0.11	20.95	36.59	57.65
Central Asia, regional	0.00	0.00	4.84	4.84	0.00	28.27	15.88	44.15	0.30	0.04	10.43	10.77
South & Central Asia, regional	0.00	15.66	0.53	16.19	0.00	3.07	4.92	7.99	0.00	0.00	2.02	2.02
South Asia, regional	0.00	0.00	0.67	0.67	0.00	10.96	10.39	21.35	2.59	2.00	16.11	20.70
Far East Asia, regional	7.29	0.00	0.00	7.29	0.00	0.00	38.25	38.25	0.65	3.80	16.22	20.67
Middle East, regional	0.96	4.50	34.07	39.53	0.49	7.35	30.53	38.37	0.47	3.98	20.76	25.22
West Indies Unallocated	2.89	0.00	0.31	3.21	40.94	10.00	4.50	55.44	1.55	0.00	0.00	1.55
Europe, regional	0.48	15.16	17.33	32.96	0.55	82.86	157.39	240.81	1.76	77.89	47.62	127.26
States Ex-Yugoslavia	0.00	0.00	0.10	0.10	0.00	0.00	0.15	0.15	0.00	0.00	0.11	0.11
Oceania, regional	0.00	0.41	17.36	17.77	0.00	6.16	11.65	17.81	1.41	2.54	10.61	14.56
Total regional funds	97.18	185.05	230.25	512.48	222.35	435.04	666.05	1,323.43	123.13	223.23	567.61	913.97
Total (national + regional funds)	229.34	3,404.19	2,904.96	6,538.49	484.65	3,436.41	3,637.62	7,558.68	342.51	2,764.33	3,840.80	6,947.64
Regional funds % of grand total	42%	5%	8%	8%	46%	13%	18%	18%	36%	8%	15%	13%

Annex 5. Glossary

ACP: African, Caribbean and Pacific States

AfT: Aid for Trade

BPC: Building Productive Capacities

CRS: Creditor Reporting System

DAC: Development Assistance Committee (of the OECD)

DDA: Doha Development Agenda

EC: European Community

EAC: East African Community

ECOWAS: Economic Community of West African States

EDF: European Development Fund

EIF: Enhanced Integrated Framework for trade related assistance to LDCs

EPA: Economic Partnership Agreement

IF: Integrated Framework for trade related assistance to LDCs

LDC: Least Developed Country

MDG: Millennium Development Goal

ODA: Overseas Development Assistance

OECD: Organisation for Economic Cooperation and Development

REC: Regional Economic Community

RIP: Regional Indicative Programme

RPTF: Regional Preparatory Task Force

RSP: Regional Strategy Papers

TD: Trade Development

TRA: Trade Related Assistance

TRAdj: Trade Related Adjustment

TPR: Trade Policy and Regulation

TRI: Trade Related Infrastructure

UNOPS: United Nations Office of Project Services

WTO: World Trade Organisation