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UNITED NATIONS SYSTEM
Chief Executive Board for Coordination
High Level Committee on Programmes
Working Group on Market Efficiency and Integration



Volume 2: Bilateral Services

 Strategies & Services:
Executive Summary

TRADE CAPACITY BUILDING

[Resource Guide]

2015



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Vienna, 2015

Details of bilateral donors are electronically enclosed.

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Executive Summary

Volume 2, Bilateral Services reviews the trade capacity building by the twenty-four members of the OECD DAC (the Development Co-operation Directorate of the Organization for Economic Cooperation and Development) at the time this Guide started to be compiled, and twelve other donors: five of these, like the **Czech Republic**, are members of the **EU** (European Union) (the **EC**, European Commission, was already included as a DAC donor): **Estonia, Hungary, Poland, Slovak Republic, and Slovenia**; and seven others are members of the **G20: Argentina, Brazil, China, Indonesia, Mexico, the Russian Federation, and Turkey**. Other members of the EU and the G20 were invited to participate, but did not respond or declined. As with all new international initiatives, there is a risk that, now that Aid for Trade is no longer a novelty, the interest in trade capacity building is diminishing. It also seems that donors are returning to seeing their aid programmes as purely internal questions, in spite of their international commitments to Aid for Trade under the **WTO** (World Trade Organization) and under EC and G20 targets.

It is essential to note that in most cases Volume 2, Bilateral Services of the *Resource Guide* is based on a review of publicly available information on donors' programmes and activities. The chapters were elaborated by **UNIDO** (United Nations Industrial Development Organization) and then validated and/or modified by each country; in some cases, countries provided substantial additional information, for which we are grateful. But for some, the reviews may omit some activities. There had been some standardization of approach and definition of categories for the multilateral agencies, but much less for the bilateral donors, especially for those which are only now starting both trade capacity building and international reporting on their aid activities. It is particularly difficult to find comparable definitions of the roles of agencies not directly responsible for aid, but with activities which are closely related to trade.

This Executive Summary looks first at the DAC donors included in the last edition, to identify any changes in their priorities or in other characteristics of their programmes. It then introduces the additional donors, as far as we have information on them, asking the same questions about the role of trade capacity building in their aid and their priorities within trade capacity building. In particular, it looks at the information available on partnerships between developed and developing country donors. It includes some information on some of the donors which did not respond. It concludes with a summary description of some of their activities by standard category.

DAC donors

There are no reported formal changes in donors' priority for trade capacity building within aid, but some may be omitted because some of the countries did not provide updates of their activities. In contrast to the multilateral and regional agencies, where only one agency reported more than one change in the activities covered, seven countries report two or three changes; **Spain** had three changes, and one country, **Portugal**, had four changes. Table B1 summarises the information available on activities covered.) Most of the changes were reductions in the number of activities reported (**Australia, Belgium, Denmark, the EC, Italy, Japan, Luxembourg, and Norway**) suggesting that the trend toward greater concentration of aid programmes is continuing, but **Canada, Finland, Sweden** and the **UK**, along with **Portugal** and **Spain**, reported more activities. It remains true that the major donors cover most or all activities, and the smaller or newer, a small number, but **Italy** has now reduced its coverage to five activities. **Portugal** has now moved up to eight, about the level of middle sized donors such as the Scandinavian countries.

Table B1: Overview of Bilateral Donors' Aid for Trade Programmes and Initiatives

	Global Advocacy	Trade Policy Development	Legal and Regulatory Framework	Supply Capacity	Compliance Support	Trade Promotion	Market & Trade Information	Trade Facilitation	Physical Trade Infrastructure	Trade-related Financial Services	Participation in Triangular Cooperation	Other Trade-related Activities*
DAC members												
Australia		•	•	•	•		•	•	•	•		
Austria	•	•		•	•	•		•	•	•		
Belgium			•	•	•	•	•	•	•			•
Canada		•	•	•	•	•	•	•	•			•
Denmark	•	•		•	•	•	•	•	•	•		
EC		•	•	•	•	•	•	•	•	•	under consideration	•
Finland	•	•	•	•	•	•	•	•	•	•		
France	•	•	•	•	•	•		•	•	•	not directly	
Germany	•	•	•	•	•	•	•	•	•	•		
Greece				•	•					•		
Ireland	•	•	•	•	•	•	•	•	•	•		
Italy			•	•	•			•	•			
Japan	•	•	•	•	•			•	•	•		
Korea (Rep. of)		•		•	•		•	•	•			
Luxembourg		•		•					•			
Netherlands	•	•	•	•	•	•	•	•	•	•		
New Zealand		•	•	•	•	•	•	•	•	•		
Norway	•	•	•	•	•		•	•				•
Portugal		•	•	•	•		•	•	•			•
Spain	•	•		•			•	•	•	•		
Sweden	•	•	•	•	•		•	•	•	•		•
Switzerland	•	•	•	•	•	•	•	•	•	•		
United Kingdom	•	•	•	•	•		•	•	•	•		•
United States		•	•	•	•		•	•	•	•		
Other EU member countries												
Czech Rep							•				no	
Estonia	•		•				•				no	
Hungary											no	
Slovak Rep.						•					no	
Slovenia									•		no	
Poland											no	
Other members of G20												
Argentina			•	•	•		•	•			•	
Brazil		•	•	•	•			•	•		•	
China		•	•	•				•	•		•	
Indonesia		•									•	
Mexico		•							•		•	
Russian Fed.		•			•			•			•	
Turkey			•					•			no	

* Most countries did not use this category.

Some donors are willing to assist virtually all developing countries (Table B2), even if they have regional or traditional centres of interest. These include **Australia**, the **EC**, **Germany**, **Ireland**, **Japan**, the **Netherlands**, **Sweden**, **Switzerland**, and the **US**. Others define regions or types of countries, including **Austria**, **Belgium**, **France**, **Greece**, **Italy**, and **Norway**. All these include Sub-Saharan African LDCs along with other groupings. **Austria** also has Eastern Europe as an area focus. **Spain** is unusual in concentrating on middle income countries, partly because of its historical commitment to Latin America, and **New Zealand** specifies South East Asia and the Pacific. **Canada**, **Finland**, **Luxembourg**, **Portugal**, and the **UK** have more limited lists, often in the form of target countries.

Table B2: Bilateral Donors: Designated Beneficiaries

DAC Members	
Australia	all regions
Austria	Sub-Saharan Africa, Himalayan region, SE Europe, S, Caucasus
Belgium	African LDCs
Canada	Bolivia, Caribbean, Colombia, Haiti, Honduras, Peru, Afghanistan, Bangladesh, Indonesia, Pakistan, Vietnam, E.Europe, Ukraine, Mid-East, Ethiopia, Ghana, Mali, Mozambique, Senegal, Sudan, S.Sudan, Tanzania
Denmark	all LDCs
EC	all LDCs
Finland	Ethiopia, Kenya, Mozambique, Nepal, Tanzania, Vietnam, Zambia, crisis states
France	Sub-Saharan Africa (60%),Mediterranean, fragile and crisis states
Germany	all LDCs
Greece	Sub-Saharan Africa, Black Sea, Middle East
Ireland	all LDCs
Italy	Sub-Saharan Africa, Mediterránea; Asia, Latin America
Japan	all LDCs
Korea, Rep. of	all LDCs
Luxembourg	Burkina Faso, Cape Verde, El Salvador, Laos, Mali, Nicaragua, Niger, Senegal, Vietnam
Netherlands	all LDCs
New Zealand	Pacific, SE Asia
Norway	Africa, LDCs
Portugal	Lusophone Africa: Angola, Cape Verde, Guinea Bissau, Mozambique, Sao Tome Principe, E. Timor
Spain	Latin America, Middle income
Sweden	all LDCs
Switzerland	all LDCs
United Kingdom	Afghanistan, Bangladesh, Burma, DRC, Ethiopia, Ghana, India, Kenya, Kyrgyzstan, Liberia, Malawi, Mozambique, Nepal, Nigeria, Palestine, Pakistan, Rwanda, Sierra Leone, Somalia, S.Africa, Sudan, S.Sudan, Tajikistan, Tanzania, Uganda, Vietnam, Yemen, Zambia, Zimbabwe
United States	all LDCs
Other EU Member Countries for which there are details	
Czech	Ethiopia is priority, Kosovo, Serbia, Turkey
Estonia	E Europe
Slovak	Afghanistan, Serbia, Kenya; S Sudan, Bosnia Herzegovina, Macedonia, Montenegro
Slovenia	Balkan countries, LDCs

Other members of the G20	
Argentina	Latin America
Brazil	South & Central America, Caribbean, Africa
China	All countries
Indonesia	Asia
Mexico	Central America, Caribbean
Russian Fed.	border countries, Asia Pacific, Sub-Saharan Africa, Latin America
Turkey	LDCs

Other donors

Although the non-DAC donors are not required to submit their aid programmes for review by the DAC, those included in this Guide are all members of the **WTO**, and therefore formally committed to the Aid for Trade initiative and expected to participate in its Reviews of Aid for Trade. Donors which are members of the EU are bound additionally by its declared support for Aid for Trade. The new donors which are members of the G20 have made an additional commitment to increase Aid for Trade. For all, therefore, their trade capacity building is internationally accountable. Table B1 summarises the trade support activities for those which responded to UNIDO's questionnaire.

The amount of assistance, both Overseas Development Assistance as defined by the DAC and other official flows, going from non-DAC donors to other developing countries has increased substantially in recent years: for **Brazil** and **China**, it probably trebled between 2006 and 2011. As aid from some DAC donors has decreased, the other donors have increased their share of the total. Most South-South trade capacity building is technical assistance, so not requiring high volumes of spending, but the total may be about \$10 billion. It may have been less affected by the financial crisis than aid from developed country donors. None of the new donors is among the major donors in total aid. **China** may now be at least at the level of middle level European donors. A few of those included here are at the level of smaller European countries.

Non-members of the DAC are under no obligation to use DAC definitions of ODA or of Aid for Trade, and some do not (see Grimm 2011c p. 7 for some differences; **Brazil** and **China**, for example, link export credits to other assistance in trade). Most South-South donors (like most traditional donors) believe that their assistance is "special" and unlike that provided by others. For every donor, its own programme is unique. From the point of view of recipients, for whose needs this *Resource Guide* is designed, what matters is what donors do, not what they call it, so 'Trade Capacity Building' remains a useful description for all donors. (WTO/OECD publications sometimes, but not consistently, refer to 'providers of South-South Cooperation' as a separate category from 'donors': this could be a useful distinction if it were instead defined to mean participants in triangular aid providing expertise rather than funds.)

It is necessary for observers to identify the characteristics which can be compared, not take a position on which is 'better'. Some argue that South-South aid is different because it is less self-interested (South-South solidarity); others that it is different because it is more self-interested (mutually beneficial); and some prefer terms other than aid. As there are many examples of both altruistic and self-interested aid from both new and traditional donors, these are not new categories. Countries which have recently received (or are still receiving) aid may believe that they have a special awareness of the problems of recipients or feel a special obligation to help: this is cited by some non-DAC donors. Such experience is also, however, seen as important by some DAC donors, notably Japan, Korea (Kim, 2011), some new members of the EU, and even Germany.

It is likely that each new donor (like each traditional donor) will need to identify its own advantages more precisely than just 'being new', for example on the basis of the sectors in which they specialise or, where relevant, expertise on particular types of trade policy such as regional integration, as has been done by some DAC donors. The evidence here suggests that some new donors are doing this, most notably perhaps **Argentina** and **Brazil** in their sectoral priorities and **China**, as a recently acceded member, in helping other countries to accede to the WTO. Others still need to identify their special advantages.

Information on what the new donors in the EU and Southern donors do, how they do it, and how much they do is difficult to find. For some of these countries, aid agencies are new and do not yet have detailed mandates, so often there is no clear source of information on the types of project or country which are eligible for assistance. These information gaps are particularly worrying at a time when many of these donors are adding new recipients to their traditional partners, which were often closely linked to the donor by region, language or religion. The OECD/WTO reviews of Aid for Trade have little information on Aid for Trade by non-DAC donors and do not attempt to collate or analyse it. There is a

small, but growing, literature describing what Southern donors do, including the “Aid for Trade Case Stories” prepared for the WTO’s 2011 Review of Aid for Trade, which can supplement the material submitted by countries to UNIDO.

China has had assistance projects, notably for infrastructure, in other Asian countries and in Africa since the 1950s. It shows particular interest (Grimm 2011a) in supply side assistance, with its aid closely associated with its foreign investment and trade, and therefore with its interest in access to natural resources (Humphrey, 2011a). It often provides fully completed projects. Its own successful recent moves into exporting suggest that such aid fits its advantages. As noted below, it now has extensive cooperation agreements with multilateral agencies and it has participated in discussions with other donors on aid effectiveness (Hayashikawa 2012). It has worked with other Asian donors in third countries.

Brazil, like **China**, has a history of trading and managing its trade policy successfully, but although it attributes its own success to good trade policy (Motta Veiga 2011), it does not focus its aid on trade policy or skill in negotiations. Its priorities (Cabral, Weinstock, 2010, WTO 2013) have been agriculture: especially cotton and biofuels, health and education. It mainly offers technical assistance. It submitted two Aid for Trade case stories to the WTO in 2011: on cotton with the West African cotton producers (consistent with both its own experience in cotton production and its trade policy alliance with them) and on SMEs with several South American countries (see also below under Supply Capacity). **Mexico’s** aid (Lätt 2011) is mainly technical cooperation and not specifically in trade-related areas. It did, however, submit a case story on a transport corridor in Central America (see also below, under Physical Infrastructure); this can be linked to its trade policy interest in regional FTAs.

In most cases, developing country donors help countries in their own region and also some African countries (table B2). **China** is an exception, explicitly saying that it works with all countries, although political constraints exclude a few countries, and its priorities are based on trade contracts and bilateral ties. Other directions of cross-regional aid are observed only in special cases (e.g. **Brazil** aid to all Lusophone countries and aid among Islamic countries). **Brazil** has been expanding the number of projects and number of recipients. Its original recipients were South American countries and Lusophone countries in Africa and Asia, but it now deals with 58 recipients, and only 23% of its aid goes to South America, with 50% to Africa and 15% to Asia (Motta Veiga 2011). **Mexico** (Lätt 2011) has had programmes in Central America for a couple of decades, and has also acted in the Caribbean. **Argentina** focuses on Latin America. The **Russian Federation** has a broad approach, but with some concentration on border countries and others in Asia and the Pacific. The proportions for Eastern Europe and Sub-Saharan Africa are in fact the same (at 28%), and Latin America and the Caribbean receive 20% of Russian aid. **Indonesia** gives aid to Asian countries.

Of the new EU donors, **Estonia** explicitly chooses to focus on Eastern European countries because it feels it has no competence in Africa, although its multilateral funding goes to that region. The **Czech Republic** target list includes Kosovo and Serbia, but also Ethiopia and Turkey. The **Slovak Republic** has three priority countries, Afghanistan, Serbia, and Kenya, plus ten other project countries: South Sudan, Bosnia and Herzegovina, Macedonia, Montenegro, Moldova, Ukraine, Belarus, Georgia, Tunisia and Egypt. **Slovenia** gives aid to LDCs mainly through multilateral and EU programmes, while its bilateral aid is mainly to Balkan countries.

Selected major donors not included in this volume:

India also has a long history of bilateral aid; this has been mainly to other South Asian countries, but is now shifting to Africa (Humphrey 2011).

Singapore has provided technical assistance to a wide range of countries, originally (from the 1960s) mainly in its region, but now globally, and identifies 80% of its assistance as Aid for Trade. It established an aid agency in 1992. Some of its assistance is through multilateral and regional organisations. Examples include capacity building in trade policy in the region and in the Middle East and assistance with infrastructure and trade facilitation in Latin America.

Several **Arab countries** became major donors in the 1970s following the first oil price increase, and some are now again increasing their aid. Like the other donors, they are moving out of their own region as well as into more multilateral and regional giving (Denney 2011). **Saudi Arabia** includes export promotion assistance in its objectives.

South Africa mainly acts within Africa, and prefers to give assistance through regional organisations (Grimm 2011a). Some is technical assistance; some, financial credits. It is now trying to start some triangular programmes.

Triangular cooperation: partnership between developed and developing country bilateral donors

As well as what may be considered ‘traditional’ bilateral aid by new donors, i.e. direct assistance from one country to another, some donors from both developed and developing countries are interested in what has become known as ‘triangular’ aid: in the simplest model, a developed country provides funds and a developing country offers expertise to produce a joint package for a third country. The ways in which ‘old’ donors could offer form partnerships with ‘new’ donors include:

- Financing, directly or through joint participation in a multilateral or regional programme;
- Advice or training in setting up and administering an aid agency, including mechanisms for identifying needs, designing programmes, monitoring and evaluation;
- Advice or training in dealing with recipients; and
- Advice and training in reporting information to permit monitoring and evaluation.

An alternative model is the **China**-DAC Study Group initiated in January 2009 as a ‘mechanism for mutual learning’ (Brant 2011). This draws on the aid experience of two donors, combining Chinese experience with DAC experience, recognising that knowledge may lie with the developing country donor as well as the developed donor. There is no clear distinction between these partnerships and normal collaboration among donors (at any level of development) or between bilateral donors and multilateral or regional agencies. The activities different countries choose to report under this heading vary, so the formal sections under this category in the reports in this Guide and as summarised in the next section are not comparable.

The ways in which bilateral donors support trade

The categories used other than triangular aid are explained in the introduction to Volume I Multilateral Services, and the results are summarised in Table B1. This also indicates which donors explicitly mention triangular aid. Among the newly included donors, **Argentina** and **China** report on five activities and **Brazil** on six, comparable with the small to medium DAC donors, with the others reporting three or fewer. Supply Capacity, Financial Services, Trade Policy, Physical Infrastructure and Compliance Support remain the most frequently mentioned activities by the DAC donors. Trade Promotion and Global Advocacy are the least often covered. New donors, in contrast, have higher coverage of trade facilitation, with financial services joining global advocacy among the least often mentioned, although for **China** infrastructure and supply capacity are priorities. **Hungary** and **Poland** are not included in this section as they did not give details on their activities.

Global Advocacy

Sweden and the **UK** recall their role as advocates for Aid for Trade. **Switzerland** encourages discussions on trade. **Germany** has programmes to improve trade related assistance and to do research on the implications of proposed trade agreements for developing countries. This includes research and capacity development for policy for trade in services. **Denmark** has programmes to promote the development of the private sector in Ghana and Kenya and to promote corporate social responsibility. **Spain** supports policy discussion and advocacy by cooperatives and other groups of entrepreneurs. **Ireland** supports research to help developing countries. **Austria** has activities to promote good business and trade practices in Eastern European countries. **Finland** supports research on trade and development by the OECD, UNCTAD, and ICTSD. **France** includes here increasing support for Fair Trade in France. **Japan** organises policy dialogues on Africa. The **Netherlands** mentions its promotion of corporate social responsibility by its own multinationals operating in developing countries. **Norway** includes its support for including gender in policies. The **US** improves the African private sector’s ability to participate in policy discussions.

Only one of the new donors has an activity in this category. **Estonia** has supported development and trade through the **WTO** and **EIF** (Enhanced Integrated Framework).

Trade Policy Development

Australia provides administrative and research support to regions including ASEAN and the Pacific Agreement on Closer Economic Relations (PACER) and assistance on developing competence in trade policy more generally. **New Zealand** supports Pacer, mentioning explicitly that this is to enable it negotiate with New Zealand. It also supports the Pacific Forum. **Canada** supports programmes to improve African countries’ ability to negotiate trade agreements and to help them take advantage of FTAs with Canada. The **EC** has supported ACP

countries in their negotiations of FTAs with the EU and with their multilateral negotiations. The **UK** has also supported countries to negotiate and to implement trading arrangements with the EU as well as supporting LDCs to negotiate for what it defines as appropriate objectives in international negotiations.

Finland has supported multilateral agencies and joint programmes in their trade policy assistance and research on trade policy. Most countries support the WTO programme to assist countries to participate in WTO negotiations. **Korea** supports countries through the WTO and the EIF. **Ireland** supports training at the **WTO**. It supports **World Bank** and **ITC** (International Trade Centre), research on trade barriers.

Denmark supports regional trade policy in East Africa. **Germany** has supported regional trade institutions in East and Southern Africa. **Norway** has supported regional trade institutions in southern Africa. **Spain** supports MERCOSUR (Mercado Común del Sur). **Canada** also focuses on regional trade policy, with programmes in South America, the Caribbean, and Africa. It also advises Africa countries on trade and investment policies more generally and Middle Eastern countries on investment policy. It has assisted in the development of research capacity on trade policy in African and Latin American countries. The **EC** has a comprehensive programme to support Armenia in agreeing and implementing deep integration with the EU. **France** has provided a technical assistant to help Senegal in its trade negotiations and other support to countries to increase their negotiating capacity as well as support for research on their trade.

The **Netherlands** has assisted Indonesia in designing measures to encourage trade and investment. **Austria** assists Eastern European countries in investment policy. **Sweden** provides training for trade officials both in Sweden, using its own experience, and through a training institute in Tanzania. With **Switzerland**, it supports TRALAC, a research and training institute for southern Africa, and provides and information for private sectors to participate in policy. **Switzerland** supports training on world trade in Switzerland and regional training at centres in Peru, South Africa and Vietnam. It provides assistance to countries in formulating negotiating positions, and mentions in particular support for the West African cotton exporters. The **US** provides capacity building for public officials and private sector representatives to participate in negotiations and implement agreements.

Indonesia, supported by **Japan** and **UNDP** (United Nations Development Programme), uses its experience to help Uzbekistan on free trade economic zones and small and middle-sized enterprises (SMEs). It has also provided training to public officials both through academic courses and exchange of experience. **Mexico** cooperates on public administration with Chile. Brazil supports joint MERCOSUR policy development. **The Russian Federation** is supporting Belarus to accede to the **WTO**, including improving institutional capacity and providing information. **China** has focused on LDCs and in particular on assisting them in accession to the **WTO**.

Legal and Regulatory Framework

Australia offers institution building, for example to the Philippines and Viet Nam. The **UK** supports regional harmonisation of trade regulations in East and Southern Africa. **Belgium** contributes to the **UK's** programme for trade institution building in Eastern Africa. **Finland** has promoted reforms related to private sector development in Zambia, Mozambique, southern Africa, East Africa, Laos, and Cambodia, and legislation for encouraging sustainable development in Laos and the Ukraine. **Canada** has built capacity on complying with international labour legislation. **Japan** has a programme with WIPO to support building institutions on intellectual property protection in Asia and Africa. The **US** provides capacity building for ASEAN in information technology and information management.

The **EC** has a programme to help develop programmes to integrate the private sector into consultations, including on standards and taxation. **New Zealand** assists the Pacific countries to develop institutional capacity in financial regulation, taxation, and statistics. **France** offers assistance to African governments negotiating with the private sector. It also is helping Senegal develop the institutional capacity to support sustainable agriculture. **Japan** helps Cambodia improve investment promotion and has a training course in competition law and policy which has been mainly for Asian countries. **Sweden** has assisted African countries in developing capacity in dealing with Technical Barriers to trade and Iraq on consumer protection. It provides training on rules of origin for southern African countries. **Switzerland** has supported development of legal frameworks to reduce the costs of doing business and on competition policy, intellectual property, consumer protection, public procurement and e-commerce. **Portugal** has supported consumer protection agencies and other types of public administration. **Italy** offers support to Egypt, South Africa, Tunisia, and Vietnam.

Germany, Norway, Sweden and **Switzerland** offer support for countries acceding to the WTO. **Ireland** and the **Netherlands** offer support through the Advisory Centre on WTO Law (ACWL) and the **World Bank's** Facility for Investment Advisory Services (FIAS), and the **Netherlands** supports WTO training for officials. **Norway** also supports the ACWL.

Estonia assists Armenia, Georgia and Moldova to implement SPS requirements of free trade agreements with the EU.

Argentina provides training in taxation for officials in Paraguay, on health and medicine regulation to Caribbean countries, and in management to Uruguay. **China** has helped countries with the legal changes required to accede to the WTO. **Turkey** has training for trade officials in LDCs.

Supply Capacity

In only a few cases do donors seem to be making a clear link between their own national expertise and experience and the sectors for which they offer assistance: **Argentina, Brazil** and **Norway** are notable examples of this, with **Argentina** and **Brazil** mentioning projects in agriculture and **Norway** citing energy. Some donors explicitly mention value chains.

Norway provides advice on managing petroleum resources and on clean energy development in Africa. In Bangladesh, it assists the textile and garment sector. **Norway** and the **UK** also promote women's participation in production.

Some countries mention only agriculture as a specific sector to support. **Australia** supports value chains in agriculture in south East Asia, offers other agricultural support in several countries, and assists development in textiles and clothing in Fiji. **Canada** supports the development of supply chains in agriculture in the Caribbean, South America and Mali, with support also to research on supply chains and how to promote them. It assists agriculture in the Nile Basin and in Central America. It has an investment fund to support other types of supply in Africa. **Spain** supports agriculture in Argentina, Honduras, Mexico, Nicaragua, Algeria, Ethiopia, Morocco Senegal and Tunisia, mentioning value chains between Tunisia and Spain. It supports fishing in Ethiopia and Mozambique. The **Netherlands** has also supported developing value chains from recipient countries to Europe, supporting soya, cacao, stone, and forest products, and mangos from Mali. **Japan** supports agriculture. **Greece** supports potato seed development in Georgia.

Other countries mention agriculture with other sectors, including several supporting SMEs in particular. **Austria** supports agriculture in Nicaragua, energy in western Africa and the shoe industry in Ethiopia. **Italy** has programmes in general private sector development in Argentina, Ghana, West Africa and Syria, with support for SMEs in Albania and agriculture in Lebanon. **Portugal** has supported rural development in East Timor and Guinea Bissau through a cluster approach combining improving productivity, improving marketing and other types of support. It also supports agriculture in Mozambique and Angola and mining in Angola and Mozambique. **Belgium** has programmes to support agriculture and SMEs. **New Zealand** has programmes in agribusiness, in fair trade agriculture, in business to business support, and in general support to improving the business environment. **Finland's** support goes to agriculture, forestry, green construction, energy, and services, including ICT, across countries in all regions. **Germany** supports cotton in West African countries and agriculture generally in Ghana and Kenya. In Thailand, its support is for SMEs more generally. **Ireland's** supply support is for Fair Trade producers, in Central America and East Africa. **France's** priorities are agriculture, tourism, and the financial sector. In agriculture, this includes increasing production and productivity in agriculture. Specific activities include potato exports, cotton in Mali and Burkina Faso, tea in Burundi, and coffee in Kenya. There is also support for biodiversity. **France's** promotion of tourism includes encouraging countries to develop tourism to maximise multiplier effects on income and related activities, with attention to sustainable development. **France** also encourages industry, for example mechanical, electrical, and electronic production in Tunisia. **Denmark** supports the private sector in Ghana, Tanzania and Uganda, especially SMEs. It has programmes on fruit in Viet Nam and car repairs in Uganda. The **US** supports agriculture and services, including tourism, in Africa, including assistance in using US preferences and in regional integration. It also supports SMEs in aquaculture, horticulture and leather value chains, focusing on bringing these up to export quality standards. In Bolivia, Mali, Serbia, the Philippines and East and Central Africa, it has more comprehensive programmes to improve the ability of SMEs to participate in value chains. **Korea** supports infrastructure, dams and irrigation projects, as an input into supply capacity in Cambodia, the Philippines, Indonesia and Mali. It has specific supply projects for agriculture in Indonesia and Mali.

Canada provides general support to the private sector in Africa and the Caribbean, and to skills development in Asian countries. The **EC** provides support to the Caribbean rum industry to adapt to new trading and environmental regulations. **Sweden's** support for South Africa is more general, with training and business development; in India it has supported clean production. **Switzerland** supports SMEs and clean production. The **UK** provides general support to encourage investment and to improve how markets work. It tries to include European imports of food.

Most of **Luxembourg's** support is through micro-finance organisations, including in Vietnam, Cape Verde, and Central America. It has also supported rural development in Vietnam and the ITC sector in Africa. The **Netherlands** also includes here support to Netherlands investors in emerging markets.

Argentina (with JICA, **Japan**) provides training in food production to other Latin American countries. It also provides technical assistance to Mexico on agriculture and forestry and to Ecuador on SMEs. It uses Argentine expertise in fish farming to assist Paraguay. It supports textiles and clothing and tourism in Paraguay and has programmes in agriculture, and in llama, alpaca and cattle meat production, and in textiles in Bolivia. It provides technical assistance on wine and olive production, fibres and cattle to Peru. It also supports cattle production in Panama and meat in El Salvador. It has programmes on energy and meat in Ecuador and fungi in Colombia. **Argentina** has a comprehensive programme of support for agriculture in Haiti. **Brazil** supports production of rice in Senegal and cotton in the Benin, Burkina Faso, Chad and Mali, provides training in agro ecology and cooperatives to Benin. Outside agriculture, it supports tourism in Jamaica and cinema in other MERCOSUR countries. It provides advice to other Latin American countries on how to export to Brazil. **China** reports projects in agriculture, including sugar and cotton, and in cement.

Compliance Support Infrastructure and Services

As well as support to recipients' quality and standards institutions, some donors provide assistance to countries to participate in standard setting and in negotiations. Agricultural standards are frequently included. **Australia** provides aid to countries to meet Sanitary and Phyto-Sanitary rules, and **Greece's** support for potatoes in Georgia includes research on quality. The **UK** helps Mozambique meet fish standards for export to the EU. **Norway** has some programmes on fisheries and works with **UNIDO** on standards compliance for agricultural exports. It also has programmes on meeting standards for fair trade and organic exports. **Belgium** and **New Zealand** help countries to meet Fair Trade standards. **Korea** has helped Mongolia develop testing for animal products.

Canada has helped the Ukraine, Viet Nam and the Caribbean to develop testing to meet international standards. **Denmark** has provided support to Viet Nam to develop testing for technical standards, and the **EC** has programmes to help ACP countries meet technical standards and to help Bangladesh build standards and testing capacity to meet international standards on textiles and clothing. The **UK** supports labour and health standards in the garment industry in Bangladesh. **France** has assisted quality management and testing in Madagascar, China, North Africa, the Balkan states and Ukraine. **Japan** is promoting quality control, testing and certification in electrical equipment in Vietnam. **Norway** is compiling information on private standards and on the problems faced by countries in meeting standards. It has supported the development of quality standards and testing facilities in Bangladesh, Bhutan, India, Indonesia, Malaysia, Maldives, Nepal, Pakistan, Philippines, Myanmar, Sri Lanka, Thailand, Viet Nam Malawi, Namibia, Sierra Leone, Swaziland, Zambia and in several regions: the Mekong, SAARC, SADC and the East African Community. **Portugal** supports engineering institutions, communication and postal agencies, ports and civil aviation agencies in African Lusophone countries.

Switzerland supports strengthening of standards and metrology systems, with particular assistance for SMEs to meet international standards, including environmental and social standards and fair trade standards as well as product standards. This includes activities in Nicaragua, Mozambique, Vietnam, Ghana, and Lebanon. It has also encouraged countries to participate in standard setting. **Sweden** has supported countries to participate in international standard setting. The **Netherlands** provides support to countries to meet environmental requirements, including helping them to participate in WTO discussions.

Germany includes developing expertise in intellectual property and the pharmaceutical sector in its support for East Africa. The **US** has assisted Central American, ASEAN and African countries and Azerbaijan to develop and apply product standards. It also provides training and information for officials. It provides training on intellectual property rules. **Austria** provides aid in accounting standards. **Finland** and **Ireland** give support through the multilateral agencies and programmes.

Brazil (with cooperation from **Germany**) has assisted Mozambique on developing institutions and legislation on standardisation and metrology. **Argentina** has a programme to improve dairy quality in Colombia. **The Russian Federation** works with **UNIDO** on compliance.

Trade Promotion Capacity Building

Austria, Belgium, Finland and **Japan** have supported trade promotion training done jointly with the private sector, and **Japan** also provides assistance in trade fairs. **Canada** has built capacity in the business organisations of some of its target countries and **Germany** has

supported business organisations in East Africa. **Denmark** has a programme of import promotion, and has assisted in the development of export promotion in Kenya. The **Netherlands** also has a programme to match exporters to importers. **France** has assisted the development of trade promotion in Madagascar. **Ireland** has supported the export promotion agency in Uganda. Italy supports agencies in Mercosur and Tunisia. **New Zealand** provides funding and market information to support the Pacific countries' export agency. **Portugal** has improved the ability of private organisations to support trade. **Switzerland** has acted to strengthen public and private providers of trade support, including business associations as well as export promotion agencies. The **EC** is supporting participation of NGOs in trade policy formation in Armenia.

The **Slovak Republic** is helping Serbia and Ukraine to develop advisory services for investors by building their capacity and knowledge.

Market and Trade Information

In contrast to the multilateral and regional agencies, the bilateral donors are more likely to offer market information than trade information.

Spain has supported the development of services providing *market information* and advice to horticulture in Ethiopia. **Australia** helps build competence in market information in agriculture. **Belgium** helps African countries to improve their information on the Belgian market. **Canada** builds capacity in African countries and also offers its own market information services. **Denmark** and **Norway** promote business to business information, as well as providing research on opportunities. **Finland** has supported activities in Eastern Europe and Central Asia. **Germany** has supported the development of regional information in South Asia. **Japan** builds market information in East Africa. **Ireland** supports information through the **ITC**. The **US** has developed market information services for Guyana, as well as its general support to countries to take advantage of its preferences. The **Netherlands** through its import promotion agency has extensive programmes to provide information on legal and private requirements in export markets, on how to develop export businesses, and on using trade fairs, with training for both exporters and agencies which support these. **Sweden** and **Switzerland** provide information for exporters to these countries.

There are a few initiatives on *trade information*, including trade statistics, but the bilateral agencies tend to leave this type of support to the multilateral and regional agencies. The **EC** has a help desk to give countries information on its rules on trade, taxes, preferential arrangements, etc. **France** helps African countries to improve their economic, social and environmental statistics, **Norway** is assisting the Malawi and Sudan statistical offices, and **New Zealand** provides assistance to Pacific countries. The **UK** improves the transparency of trade data, with the objective of influencing public debate.

Estonia provides training on agricultural statistics to Moldova.

Argentina provides assistance in statistics to Bolivia and Haiti.

Trade Facilitation

A few donors use their own areas of expertise in this, and a high proportion provide assistance on customs administration. **Belgium**, **Portugal** and **Spain** use their port administrations to provide training in port management. **Belgium** also supports support for regional integration in East Africa, and **Portugal** provides technical assistance to customs departments. **Ireland** supports ports through **UNCTAD** (United Nations Conference on Trade and Development).

Australia provides assistance on trade facilitation to Laos, in the context of a more general trade capacity building programme, and has a broad trade facilitation programme in the Caribbean. It has programmes on improving customs administration in several Pacific countries and in China. **New Zealand** also supports customs services in the Pacific, providing advice on customs administration and Sanitary and Phytosanitary standards and support to participate in WTO work. **Finland** has supported customs modernisation in Africa. **Sweden** has supported regional customs capacity building in East, Southern, and West Africa. It also provides training for southern African countries on trade facilitation and assisted in developing a Trade Facilitation Implementation Guide. **Switzerland** supports capacity building systems for customs officers. **Korea** has provided modernisation assistance for customs in Tanzania. **Norway** has worked with **UNCTAD** on modernising customs administration in East Africa and with the **WCO** (World Customs Organization) in Liberia, Rwanda, Tanzania, Mozambique, Vietnam, and East Timor. **Austria** provided customs support to Croatia.

The **US** has developed prototypes for customs administrations for risk management and to reduce costs to business. It has developed information systems to assist in this. It has encouraged reducing barriers to agricultural trade. It is supporting trade facilitation in Afghanistan, including assisting it on trade agreements, increasing the efficiency of customs, streamlining border processes, and coordinating support for exports. It has worked to reduce trading costs in Central Asia. It supported ASEAN countries to implement Single Windows for traders. The **UK** has regional programmes taking a comprehensive approach to reducing the technical, infrastructure, and administrative costs of trading in African regions. The **EC** has helped Peru to reduce the complexity of trading. **Canada** has programmes in Africa and the Middle East to reduce barriers to trade, as well as supporting **IDB** work in Latin America. **Denmark** has supported Ghana to develop private services for traders. The **Netherlands** supports **World Bank** work on trade facilitation and works with **UK DFID** on this in East Africa. **Germany** is supporting Central Asian countries to reduce administrative barriers to trade (including through its use of the Senegalese example mentioned above).

The new donors focus mainly on customs assistance. The **Czech Republic** supports customs reform in Kosovo, Serbia, and Turkey.

Argentina provides training on customs to Bolivia. **Brazil** provides information on logistics services for trade with Brazil and has helped to develop payments systems for MERCOSUR. **China** has assisted in setting up container inspection systems. **The Russian Federation**, with the **IMF**, helps African countries improve customs administration. **Turkey** is promoting trade facilitation with Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.

Physical Trade Infrastructure

Germany emphasises its cross border approach, developing a container port in Namibia to serve transport corridors from Angola, Botswana, South Africa and Zambia, and simultaneously improving other elements along these corridors. It is also improving roads in Bangladesh. The **UK** encourages the development of regional infrastructure to reduce the costs of trading within Africa, and has a programme to improve transport in Mozambique to benefit the region as well as Mozambique itself. **Australia** is involved either on its own or with other donors including New Zealand in infrastructure programmes in the Mekong and Pacific regions, and in Papua New Guinea and the Solomon Islands. **New Zealand** is helping Tuvalu to improve its inter-island transport. The **EC** supports regional and cross-border infrastructure in Africa. **Canada** supports regional infrastructure projects in Africa, with several projects to improve roads in Africa and the Caribbean. **Denmark** has supported roads in Ghana and Ireland roads in Ethiopia. **Finland** supports rural infrastructure in Zambia, Cambodia, Kenya and Nicaragua, and also worked with the **EBRD** in Eastern Europe. Its support includes roads, bridges, ports and electrification. **Portugal** supports road and port development, and also energy infrastructure. **France's** main area of action is transport, including activities in ports in Morocco, air traffic control in Madagascar and roads in Sri Lanka and Nigeria. **Italy's** activities are also in roads and ports, in Afghanistan, Iraq, and Somalia. **Japan** acts on regional infrastructure and energy. In addition to the supply-related projects mentioned under Supply Capacity, **Korea** is involved in assisting a port project in Angola, energy in Madagascar and Nepal and a large number of road and bridge projects in Asia, Africa and Latin America. **Spain** has supported aviation infrastructure in Namibia, port systems in Cape Verde and Mauritania, railways in Bangladesh and Turkey, and roads in Ghana and China.

Sweden supports Information and Communication technology in Tanzania and environmentally friendly power in the Mekong region. **Switzerland** has supported energy projects in Eastern Europe and Central Asia. The **US** supports infrastructure management in Africa and also has a programme to improve electricity there. It has a programme to support infrastructure improvement in the Philippines and one for roads in Rwanda. **Austria** participates in joint programmes in Africa. The Netherlands responds to requests for support on this.

China gives priority to physical infrastructure, including assistance on air and road transport and optical fibres. **Brazil** has participated in developing regional infrastructure in South America and supports port infrastructure in Benin. **Mexico** has assisted Honduras, Nicaragua and Belize with road building.

Trade-related Financial Services

Finland, **Germany** and **Switzerland** support trade finance. **Switzerland** also supports improving financial access for SMEs. **Germany** is also developing countries' financial sectors including microfinance in Namibia and Uganda and finance for small enterprises in Algeria. **Portugal's** central Bank provides technical assistance to other central banks. **Ireland** supports the development of financial sectors in conflict-affected counties. **Australia** has a project to provide joint finance with business to address market failures. **Denmark** organises mixed credits, with a particular interest in supporting SMEs. **Italy** has support for credit to marketing in Guatemala and Peru. **Japan** provides equity finance and trade finance.

The **EC** has a regionally based investment facility for Latin America, Central Asia, the ACP countries and countries in its own neighbourhood. **Korea** is helping to develop a stock exchange in Viet Nam. **France** helps banks to offer finance in sub-Saharan Africa and the Mediterranean. **Greece** provides training in banking for Egypt, Georgia, Montenegro, and the Ukraine. **New Zealand** supports finance for SMEs and supports microfinance in the Pacific. It also provides general training on financial services. **Spain** supports a fund to increase finance for SMEs in Haiti. The **US** provides training and information on good practice in finance, and also has an agency to offer credit guarantees. **Sweden** is helping to develop financial markets, including securities markets, in Africa.

The **UK** does research on constraints on finance. **Luxembourg's** principal trade-related assistance is in microfinance, including increasing awareness of it and providing technical assistance to countries to develop institutions. **Austria, Belgium** and the **Netherlands** also support micro-finance.

Slovenia supports an investment facility in the Western Balkans.

None of the developing country donors offers aid in financial services.

South-South and Triangular Cooperation

Nine of the DAC donors mention this explicitly: This includes many of the larger donors. **Germany** is encouraging more use of this, and quotes a case study of **Senegal** providing its experience in trade facilitation to Kyrgyzstan and Tajikistan. **Japan** identifies three types: two stage knowledge transfer, from Japan to a developing country and from that country to a third; parallel transfer, from Japan and a developing country to a third country; and support from Japan to a regional 'pivot country' in setting up regional cooperation. **New Zealand** gives an example of working with **Thailand** to support the Mekong region. **Sweden** has supported 'twinning' between **Ghana** and **Liberia**. **Switzerland** has had triangular cooperation in intellectual property with **Vietnam** and Lao. The **US** mentions cooperation with **Chile** to transfer its success in export promotion, customs administration, and agricultural credits to Paraguay and to transfer **Chile's** customs expertise to Guatemala. It has worked with **South Africa** in the southern Africa region and with **Brazil** to improve agricultural productivity in Mozambique. The **UK** is working with **Brazil** (UK, 2013). **Denmark** says it is active in it. The **EC**, however, says only that it supports it. The **Netherlands** says "not yet", and the **Czech Republic** and **Turkey** say that they may consider introducing it.

Among developing countries, **Argentina, Brazil, Indonesia** and **Mexico** have been active in triangular aid. **Indonesia** works with **Japan, Korea** and **China**. **Brazil** has agreements on triangular aid with **Germany, Italy, Japan,** and **Spain**, and is considered one of the leading participants in such aid (Cabral, Weinstock, 2010). The **UK** is now supporting its transfer of experience in agriculture to African countries (UK 2013). **Argentina** works with Japan, and includes technical assistance and exchange of information. **Mexico** has partnerships with **Japan, Spain,** and **Germany**, working in Central America, the Caribbean and South America on environment and agriculture. **The Russian Federation** mentions potential collaboration with **Brazil, India, China** and **South Africa** on a development bank.

Other Trade-related Activities

Belgium has a centre to promote Fair Trade, in addition to its activities to help countries with compliance mentioned above. Other countries report assistance in implementing fair trade standards under Supply Capacity. **Canada** has a programme to develop entrepreneurs in Africa. **Portugal** mentions academic courses to train engineers and Spain the sharing of scientific and technology information. The **EC** has a programme to assist exports from Palestine.

As was noted in the last edition, some activities which are listed as trade capacity building are also closely related to the interests of the donor country, including those promoting information within the donor and corporate social responsibility in the donors' foreign investors. Some 'Fair Trade' initiatives could be included in donor-related aid. Some bilateral donors are advising countries on their trade policies towards and negotiations with the donor, notably the **EC** and some member countries for African countries and **Australia** and **New Zealand** in the Pacific. Some which are investors themselves are advising countries on policies to make treatment of foreign investors more friendly. There still appears to be no consensus on shifting types of capacity building where there are high risks of conflict of interest into the multilateral and regional agencies.

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