

ITALY

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

Italy took part in the debate that led to the EU Aid for Trade Strategy. Our own strategy will thus be developed according to the general principles that have been agreed within the EU, with special emphasis on *aid to local trade*, local infrastructure, development of rural products and training.

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

As said above, the Italian strategy will be consistent with the EU strategy. We are in the process of further elaborating this strategy with a special focus on programs of *aid to local trade*, as a precondition for the development of regional integration and international trade.

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

Italy will address regional challenges consistently with the EU approach.

An example of our regional aid-for-trade approach is the programme aiming at the creation of a regional network to support family enterprises producing coffee in Central America and the Caribbean. This programme will help the countries involved to define a new strategy for both trading and marketing the coffee production. The general idea is to support both quality and the production of typical regional products.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

SCOPE

4. How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?

We use the definitions evolved in the international context, and we adhere to the principles of the EU Strategy, with special focus on aid to local trade.

METHODOLOGY

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

This issue is under examination and still has to be decided.

COMMITMENTS

- 6. According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?**

Italy had no commitments for the period mentioned above.

PLEDGES

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

Italy has accepted the EU goal to devote 2 billion USD per year to aid-for-trade by 2010, of which one billion provided by the EC, and the other one by the 27 Member States. The contributions of the Member States have not yet been defined.

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

The issue is under consideration in the framework of our medium term planning for development cooperation.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

- 9. How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?**

We are working to integrate aid-for-trade in our general development strategy, both at the headquarter and in partner countries.

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

The matter is under consideration in the framework of the reorganisation of the Directorate General.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

- 11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?**

Protocols regulating bilateral development assistance are negotiated on a case by case basis. Italy always tries to ensure the full ownership of the recipient country as envisaged in the Paris Declaration on Aid Effectiveness which Italy signed and fully support.

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

Support to policy dialogues is ensured mainly through voluntary contributions to multilateral organisations, notably the ITC (International Trade Centre) and the EIF (Enhanced Integrated Framework).

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?

According to the Italian national law regulating development aid assistance, projects and programmes are eligible to public financing only upon a specific request of assistance by the recipient country. To take into account the partner countries' policy planning is mandatory for every projects or programmes financed by the Ministry of Foreign Affairs.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?

The Italian Development Cooperation is currently undergoing a re-organization and a strengthening process of its presence at country level. Lack of coordination with other donors was amongst the key issues to address in this re-organization.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

Italy is considering increasing funds for Regional and Multilateral programmes, on condition that their effects on poverty reduction can be properly verified.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

A comprehensive and coherent strategy is still under formulation. At the moment, it is too early to undertake a serious and thorough process of success measurement.

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

Evaluation methodologies for aid-for trade do not differ from those adopted to evaluate other development programmes. Italy is closely following the debate within the EU on the proposals of the OECD working party to amend the CRS to facilitate monitoring of Aid for Trade flows.

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

Not at the moment. Proposals of joint evaluations of projects and programmes are being considered, but they are not specific to aid-for-trade.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

Italy participates, within multilateral fora, to discussions on how to develop a sound and effective aid-for-trade policy. Short-term or mid-term review of the Italian aid-for-trade policies are yet to be undertaken.