

LITHUANIA

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?

The development co-operation policy of the Republic of Lithuania is based on the values, principles and recommendations set out in the joint statement by the Council of the European Union, the European Parliament and the European Commission on European Union Development Policy “The European Consensus”, which was approved by the General Affairs and External Relations Council on 21-22 November 2005.

Lithuania affirms as its own the international commitments of the European Union, enunciated in the 2000 Millennium Declaration of the United Nations, the 2002 Monterrey Summit, the 2005 Johannesburg Sustainable Development Action Plan and the 2005 Summit to Review the Millennium Development Goals as well as “EU Strategy on Aid for Trade: Enhancing EU support for trade-related needs in developing countries”. This strategy is the document, which Lithuania will follow in its Aid for Trade process.

One of the key elements for us in this strategy is that the Strategy is based on Aid for Trade needs prioritised by partner countries, it also identifies modalities for coordination and response at various geographical levels as well as proposes ways to strengthen EU capacity in general to deliver and monitor Aid for Trade.

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

After the December 2005 WTO Ministerial Conference the Government of the Republic of Lithuania adopted resolution No 561 “On the approval of the Development Co-operation Policy Guidelines of the Republic of Lithuania for 2006-2010” in which Aid for Trade, referring to the EU Council Conclusions on Aid for Trade, takes an important part.

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

“EU Strategy on Aid for Trade: Enhancing EU support for trade-related needs in developing countries” is an important instrument in supporting regional integration and promoting regional co-operation and capacity building in trade-related matters of regional interest, for example, training officials on how to make a successful customs reform.

Eastern European and Central Asian countries are priority countries for Lithuania in providing trade related assistance. Most of our neighboring countries and Central Asian countries need access to the basic infrastructure that drives development — transport corridors and telecommunications networks that can connect exporters to world markets; modern customs facilities that can move products rapidly and efficiently across borders; testing labs to ensure that exports meet international

standards; and the sophisticated expertise and institutions needed to navigate a complex world trading system.

Lithuania will pay particular attention to the regional Aid for Trade challenges of this region.

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)?*

Aid for Trade is a part of efforts to increase developing countries' participation in global as well as regional trade. Projects related to trade policy and regulation, trade development, building productive capacity, trade related infrastructure and trade related adjustment are broadly considered as trade related assistance.

METHODOLOGY

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

It is very important for us that while working with trade-related assistance, all trade-related areas would be considered. We separate projects which fall under above mentioned Aid for Trade categories from general – Development cooperation - category.

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?*

Lithuania started regular development cooperation activities in 2006, when the Government of the Republic of Lithuania adopted resolution No 561 „ On the approval of the Development Co-operation Policy Guidelines of the Republic of Lithuania for 2006-2010“.

In 2005, 8 projects in total sum of 378 260 LTL (133.660 \$; 109.640.214 €) were allocated to bilateral development aid. 3 projects fell under Aid for trade category – Trade Policy and Regulations, Trade Policy and administrative management, CRS code 33110, in total sum of 251.000 LTL (88.692 \$; 72.753 €).

PLEDGES

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

Since the December 2005 WTO Ministerial Conference Lithuania's pledges were:

a) First contribution to the Doha Development Agenda Global Trust Fund - 100.000 LTL (40.983 \$; 28.985€) in 2006.

The second contribution to DDA Global Trust Fund - 468.000 LTL (~~191.803 \$~~; 135.652 €;) in 2007, when the Regional workshop on Trade Facilitation for Central and Eastern European countries as well as Central Asian countries was organized in June, 2007

b) Below is a table of Lithuania's commitments since the December 2005 WTO Ministerial Conference: Being part of the EU, Lithuania will contribute to the joint EU commitment to increase EU's trade related assistance to 2 billion €/ year by 2010.

Commitments in US\$ thousands, 2004 constant prices

	2002	2003	2004	2005	2006
Trade Policy and Regulations	--	--	--	88 692	81 892
Economic Infrastructure	--	--	--	--	94 521
Building Productive Capacity (incl. Trade Development)	--	--	--	--	28 421
Trade-Related Adjustment	--	--	--	--	--

Lithuanian Government has made development cooperation one of the priorities. Development cooperation budget has been tripled since last year (2006) from 2.44 million LTL to 9 million LTL (2007) and Lithuania will continue to attach great importance to Aid for Trade issues.

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

MAINSTREAMING

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

The implementation of development co-operation policy, where Aid for Trade takes an important part, in Lithuania is based on the guidelines indicated in the resolution „ On the approval of the Development Co-operation Policy Guidelines of the Republic of Lithuania for 2006-2010“, United Nations Millennium Development Goals and EU Strategy on Aid for Trade recommendations.

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

Recently, Lithuania strengthened its in-house Aid for Trade related expertise by:

- establishing a department of Development Cooperation and Democracy Promotion at the Ministry of Foreign Affairs of the Republic of Lithuania;
- creating a trade related assistance expert's position at the Foreign Trade Policy Department of MFA.

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?

We encourage recipient countries to create a strong trade development component in their national development strategies through numerous bilateral and regional contacts.

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

It is very important that international trade and its links to economic growth and poverty reduction would be seen in a broader perspective and that trade policy would be implemented as a part of a country's broader agenda to reduce poverty.

Lithuania promotes the cooperation of Lithuania's non-governmental organizations with counterpart non-governmental development cooperation organizations in donor and partner countries.

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?

Although Lithuania's development cooperation policy's priorities are sometimes different from the partner countries', their policy planning and budget framework is important to us while planning our Aid for Trade programme.

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?

At the present these activities are limited. We recognize the need for a better coordination of Aid for Trade analysis and programming with other donors, especially our counterparts in the EU.

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?)

Lithuania is planning to increase the amount of the regional programmes of Aid for Trade.

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?

As for the development cooperation in general, Lithuania has two kinds of projects and programmes: small contribution (up to 10 000LTL and up to 1 year), and bigger contribution (from 150 000 LTL to 300 000 LTL and up to 1 year). We will be aiming at the bigger projects for a longer period of time.

Success is measured through the project's or programme's results, long term impact and the whole process.

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

Lithuania uses its own projects' evaluation tool; however, there is a plan already this year to start using one of the internationally recognized tools for designing change processes, monitoring progress and evaluating impact of Aid for Trade projects.

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

We are planning to develop a framework for monitoring and evaluation of Aid for Trade activities. This will include closer cooperation with partner countries and other donors.

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?

We are seeking to fulfil Aid for Trade policy effectively and for that matter we are consulting with other donor countries and taking over their best practices. We also provide timely, transparent and comprehensive information to the appropriate institutions and organizations.