

THAILAND

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?

Thailand's Strategy on International Development Cooperation for the years 2007-2011 has been developed by Thailand International Development Cooperation Agency (TICA). It serves as medium-term guidelines for cooperation with targeted countries and sets trade-related assistance as a key component. Thailand places high priorities on capacity-building in recipient countries through institutional and human resource development in sectors related to trade and investment, technical cooperation, private sector development, and network building.

Some Thai agencies, including the Office of the National Economic and Social Development Board (NESDB), the Ministry of Agriculture and Cooperatives and the International Institute for Trade and Development (ITD), have their own strategies on development assistance which are also trade-related and complement AfT. Their strategies focus on sub-regional cooperation frameworks, particularly Ayeyawady – Chao Phraya – Mekong Economic Cooperation Strategy (ACMECS) and Greater Mekong Subregion (GMS). Priority areas of cooperation of these agencies are similar to those of TICA. For example, NESDB emphasises multi-sectoral development assistance in 5 areas, namely; (1) agriculture, energy, industry and transportation, (2) human resource development, (3) logistics, (4) improvement of market mechanism, and (5) rules and regulations on taxation and payment. The Ministry of Agriculture and Cooperatives focuses its development assistance strategy on agricultural goods and HRD, while ITD stresses capacity building in the areas of trade, monetarism, finance and development.

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

Thailand did not pledge AfT at the December 2005 WTO Ministerial Conference. The above-mentioned strategies have been formulated at national level in accordance with Thailand's policy on international development cooperation, while taking into account the AfT concept.

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

Thailand's Strategy for International Development Cooperation (2007-2011) reinforces regional cooperation, especially within the frameworks of ACMECS, GMS, Association of Southeast Asian Nations (ASEAN), Indonesia – Malaysia – Thailand Growth Triangle (IMT-GT), and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). All of these regional groupings have given priorities to HRD programmes, which could have multiplying effects to other sectors, especially trade and investment. A main objective of these cooperation frameworks is to bridge the development gaps existing between Thailand and its neighboring countries.

Besides, Thailand sees the need to improve its strategies in order to effectively respond to challenges in 3 areas, namely; (1) transparency in budget spending, (2) demand-driven approaches for

development assistance, and (3) monitoring and evaluation system of the development assistance programmes/projects. Moreover, there are some other challenges that require close collaboration among all stakeholders, such as concerns on cultural domination.

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)?

Thailand defines Aid-for-Trade as multi-sectoral assistance, covering activities directly or indirectly linked with trade and investment, such as assistance on transportation infrastructure and energy. Besides, Thailand seeks to build up and strengthen both institutional and human resource capacities in recipient countries through technical cooperation and training.

METHODOLOGY

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

Thailand does not designate specific AfT share in individual projects and programmes, nor does it develop special AfT projects and programmes. Rather, the Thai agencies have applied demand-driven approach in designing their international assistance projects and programmes.

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?

During 2002-2005 Thailand's overall ODA was approximately US\$ 18-24 million per year, with no specific allocation for AfT. The ODA projects and programmes were developed mainly from recipient countries' requests and annual allocated budget, with no string attached.

PLEDGES

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

In most cases, Thailand has pledged our trade-related development assistance outside WTO fora. Our assistance to the neighboring countries will be planned on a yearly basis, depending on development programmes and projects approved and the commitments made. For example, during the ACMECS Summit in 2006, Thailand pledged US\$ 3 million to help fight avian influenza outbreak in the region.

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

The Thai development agencies have developed their own action plans and corresponding budgets. While no fixed amount of assistance is set on multi-year basis, Thailand's budget for international assistance has increased every year. For instance, TICA provided US\$ 3 million worth of technical assistance to the neighbouring countries. Another important actor is the Neighbouring Countries Economic Development Cooperation Agency (NEDA), which spent almost US\$ 220 million for the construction of infrastructure in neighbouring countries.

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?

NESDB, which is the national focal point on Thailand's economic and social development plans, is also responsible for strategy on economic partnership with neighbouring countries such as ACMECS framework. As such, the integration of AfT concept in the overall national development strategy, as well as the consistency between aid policies and the overall development strategy, is ensured.

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

Every agency has strengthened its in-house expertise through activities such as 'Training of the Trainers' programmes, and capacity building in technical and research fields. The participation of the business sector and civil society in the government's policy making process is also encouraged.

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?

A high-level committee, comprised of Permanent Secretaries of Ministries concerned and chaired by a Deputy Prime-Minister for economic affairs, served to supervise development assistance projects and programmes with neighbouring countries under 5 regional groupings including ACMECS and GMS, to ensure holistic approach on developing development assistance. During this political transition period, this committee is dissolved, but it is expected that a committee of similar purpose will be revived soon.

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

The projects and programmes especially in regional groupings are developed jointly by all member 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?

Yes, but not to a large extent.

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?

Thailand coordinates with other donors on development assistance and AFT, a notable example of which is its trilateral cooperation programmes within existing frameworks such as ACMECS. In such programmes, Thailand coordinates closely with other donors in terms of burden and budget sharing, expertise and logistics. TICA is the main authority that looks after trilateral cooperation.

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?)

The amount of Thailand's aid tends to increase every year.

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?

Thailand's Strategy for International Development Cooperation covers the period of 2007-2011. It will evaluate the overall progress and effectiveness of this strategy on the basis of trade and investment growth in targeted sectors. However, the Thai agencies still need to further develop an effective monitoring and evaluation system of its aid programmes and projects.

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

Evaluation methodologies for Thailand's aid programmes are still at early stage. Normally, its aid projects and programmes are evaluated within the economic partnership frameworks, if any, such as with Cambodia, Vietnam and Lao PDR. At present, the evaluation methodologies are based on the changes in relevant factors, such as progress of the projects, and increase in the value of border trade.

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

No.

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?

The evaluation process on AfT policy and programme commitments has not yet been fully developed. However, we are engaging more with other parties/regional organizations on partnership cooperation with other donors and stakeholders.