Aid for Trade

Regional Workshop on Trade-led Development in the Multilateral Trading System

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Aid for Trade

Launched at the Hong Kong Ministerial Conference in 2005.

Appropriate mechanisms to secure additional financial resources.

A focus rather than a new concept.
Aid for Trade: the mandate

Mandate from the 6th WTO Ministerial Conference.

“Aid for Trade should aim to help developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade”.

Aid for Trade - Task force recommendations (2006)

The 4 main recommendations of the task force:
- Strengthening the demand side
- Strengthening donor response
- Strengthening the bridge between demand and response
- Strengthening monitoring and evaluation

More, predictable, sustainable and efficient financing.
Aid-for-Trade - Approach

Mainstreaming trade into domestic and regional development frameworks

Mainstreaming trade into donor policies

Support for regional trade integration

Strengthening approaches encouraging private sector involvement

Monitoring and evaluation (more efficient and better M&E)

Not a new fund, part of existing ODA
Aid for Trade falls under four broad categories:

- **Trade policies and regulations**
  To formulate, implement and participate in negotiations and regional trade agreements (most recently and trade facilitation.) Create/update trade policies.

- **Economic infrastructure**
  Investing in infrastructure - roads, ports, telecommunications, energy networks - necessary to link products to world markets.

- **Building productive capacity**
  Strengthening economic sectors - improving test laboratories, banking and financial services; agriculture; tourism.

- **Trade-related adjustment.**
  Help with transition costs of liberalization. For instance, contributions to government budget to help implement accompanying measures that allow them to take advantage of trade liberalization; implementation of reforms and trade adjustments.
The Role of the WTO

- Raising awareness, analysis and debate.
- Advocacy.
- Committee on Trade and Development – Aid for Trade.
- Implementation of Aid for Trade Work Programme
- Conduct the Monitoring and Evaluation exercise with the OECD
- Host the Global Review of Aid for Trade.

The responsibility for implementation rests with Member countries and development organizations.
Role of the WTO - Implementation

- WTO Aid for Trade Unit
- Trade-related technical assistance
- Standards and Trade Development Facility (STDF)
- Enhanced Integrated Framework (EIF)
Global Reviews of Aid for Trade


Monitoring and Evaluation Exercise
- Questionnaires et case stories – contributions received from all regions of the world.
- 5 Aid for Trade at a Glance publications
Results

Increase resources for Aid for Trade

Improvement in the coherence of trade and development policies

Improvement in trade mainstreaming

Increase assistance to regional trade integration

Increase private sector involvement

Evidence of impact
Aid for Trade disbursements by region and income level, 2006-2013 (US$ & % of total)
Between 2002-05 and 2014:

- Commitments steadily increased from 25 to 55 US$ billion (+120%)
- Economic infrastructure increased to US$ 31.3 billion (+142%)
- Building-productive capacity increased to US$ 22,5 billion (+101%)

In 2014, trade policy & regulations represented 1.8% of the year total
Aid for Trade – top 10 donors
Source: OECD-CRS, Creditor reporting system

Commitments in US$ billion (2012-14 avg.)

- EU Institutions: 9.84
- Japan: 8.62
- World Bank: 7.79
- Germany: 5.46
- United States: 3.33
- France: 2.89
- Asian Development Bank: 1.95
- African Development Bank: 1.65
- United Kingdom: 1.04
- Netherlands: 1.00
Aid for Trade to Asia – trends

Source: OECD-CRS, Creditor reporting system
Aid for Trade to Asia – sectors (2012-14 average)

Source: OECD-CRS, Creditor reporting system

Commitments (2012-14)
- Economic Infrastructure: 69.7%
- Building Productive Capacity: 28.6%
- Trade Policy & Regulations: 1.8%
- Trade-related Adjustment: 0.0%
US$ 20.8 billion

Disbursements (2012-14)
- Economic Infrastructure: 66.7%
- Building Productive Capacity: 31.3%
- Trade Policy & Regulations: 2.0%
- Trade-related Adjustment: 0.0%
US$ 14.3 billion
Aid for Trade to Asia – recipients (sub-regions and top 15)

Source: OECD-CRS, Creditor reporting system

Commitments (2012-14 avg.)
US$ billion and %

- South & Central Asia: 65%
- Far East Asia: 26%
- Middle East: 7%
- Asia (regional): 2%

- India: 4.77
- Vietnam: 2.82
- Afghanistan: 1.68
- Pakistan: 1.61
- Bangladesh: 1.51
- Myanmar: 0.75
- Philippines: 0.71
- Nepal: 0.70
- Sri Lanka: 0.68
- Uzbekistan: 0.66
- Indonesia: 0.57
- Jordan: 0.50
- Cambodia: 0.45
- Iraq: 0.42
- China: 0.35

US$ 20.8 billion
Finance for Development

ODA is especially important for LICs

Source: OECD
Promoting connectivity

The theme of the 2016-2017 work programme

- Continued emphasis on trade costs, particularly in the area of services

- E-commerce

- Investment, infrastructure upgrading and the development of related services markets

- Assistance to the implementation of the Trade Facilitation Agreement
The Monitoring and Evaluation Exercise

Questionnaires and case story templates

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Aid for Trade and the SDGs

THE GLOBAL GOALS
For Sustainable Development

1. NO POVERTY
2. NO HUNGER
3. GOOD HEALTH
4. QUALITY EDUCATION
5. GENDER EQUALITY
6. CLEAN WATER AND SANITATION
7. RENEWABLE ENERGY
8. GOOD JOBS AND ECONOMIC GROWTH
9. INNOVATION AND INFRASTRUCTURE
10. REDUCED INEQUALITIES
11. SUSTAINABLE CITIES AND COMMUNITIES
12. CONSUMPTION
13. CLIMATE ACTION
14. LIFE BELOW WATER
15. LIFE ON LAND
16. PEACE AND JUSTICE
17. PARTNERSHIPS FOR THE GOALS

#GLOBALGOALS