



Aid for Trade

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

Taufiqur Rahman
Head, LDC Unit, Development Division, WTO

Colombo, Sri Lanka, 26-28 October 2016

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 - Scope

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)



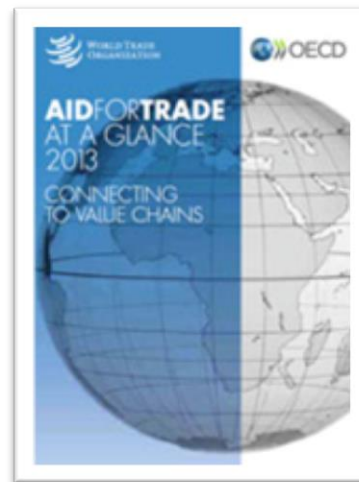
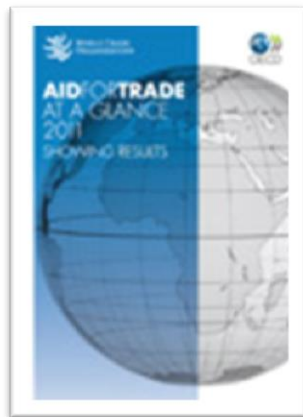
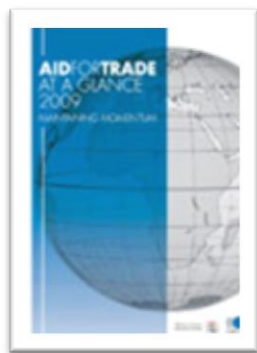


Global Reviews of Aid for Trade

5 Global Reviews of Aid for Trade (2007, 2009, 2011, 2013, 2015)

Monitoring and Evaluation Exercise

- Monitoring of flows – US\$ 250.4 billion total Aid for Trade disbursed in the period 2006-2013.
- 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

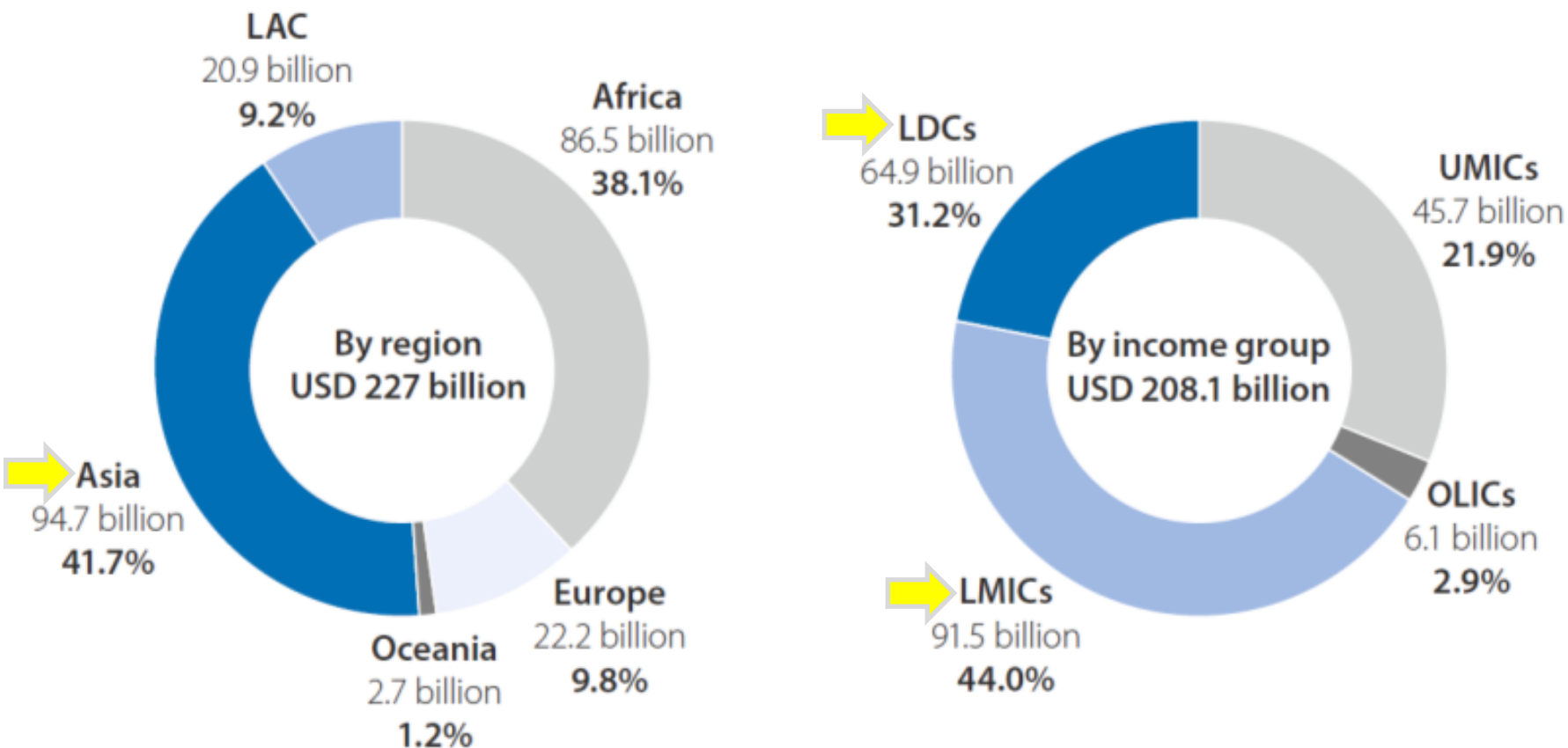




Aid for Trade Flows

Source : Aid for Trade at a Glance 2015, WTO/OECD

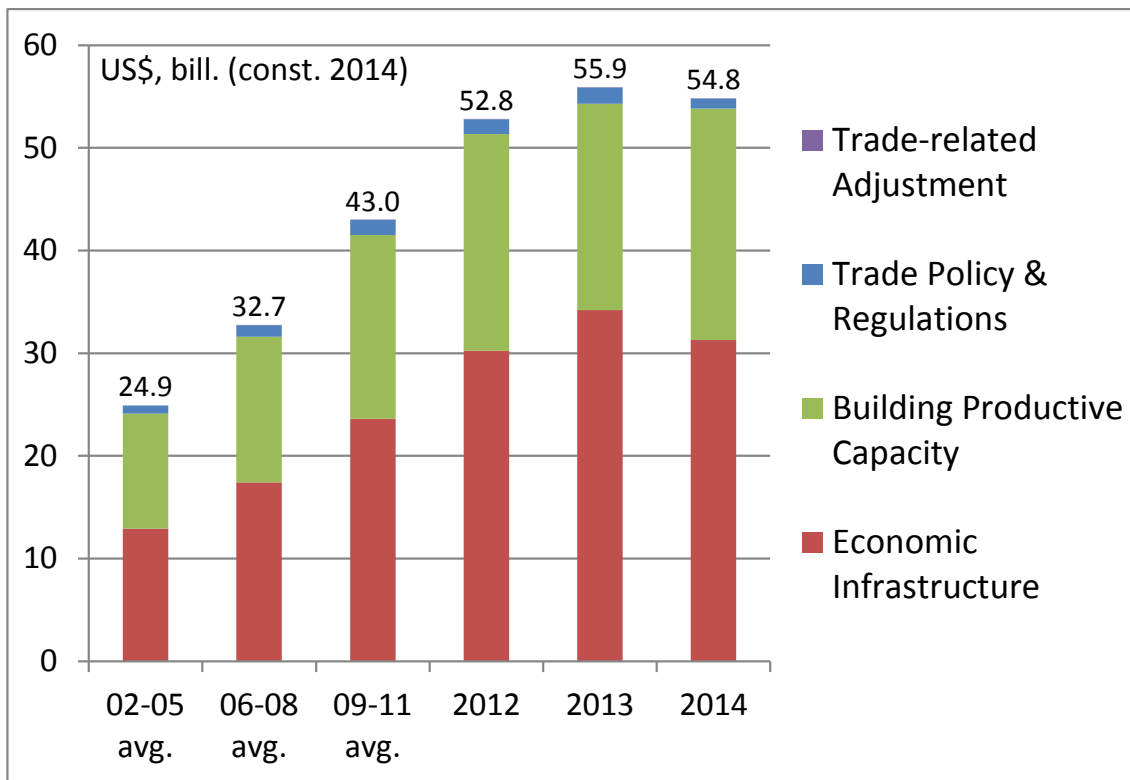
Aid for Trade disbursements by region and income level, 2006-2013 (US\$ & % of total)





Aid for Trade – Commitments - World

Source: OECD-CRS, Creditor reporting system



Between 2002-05 and 2014:

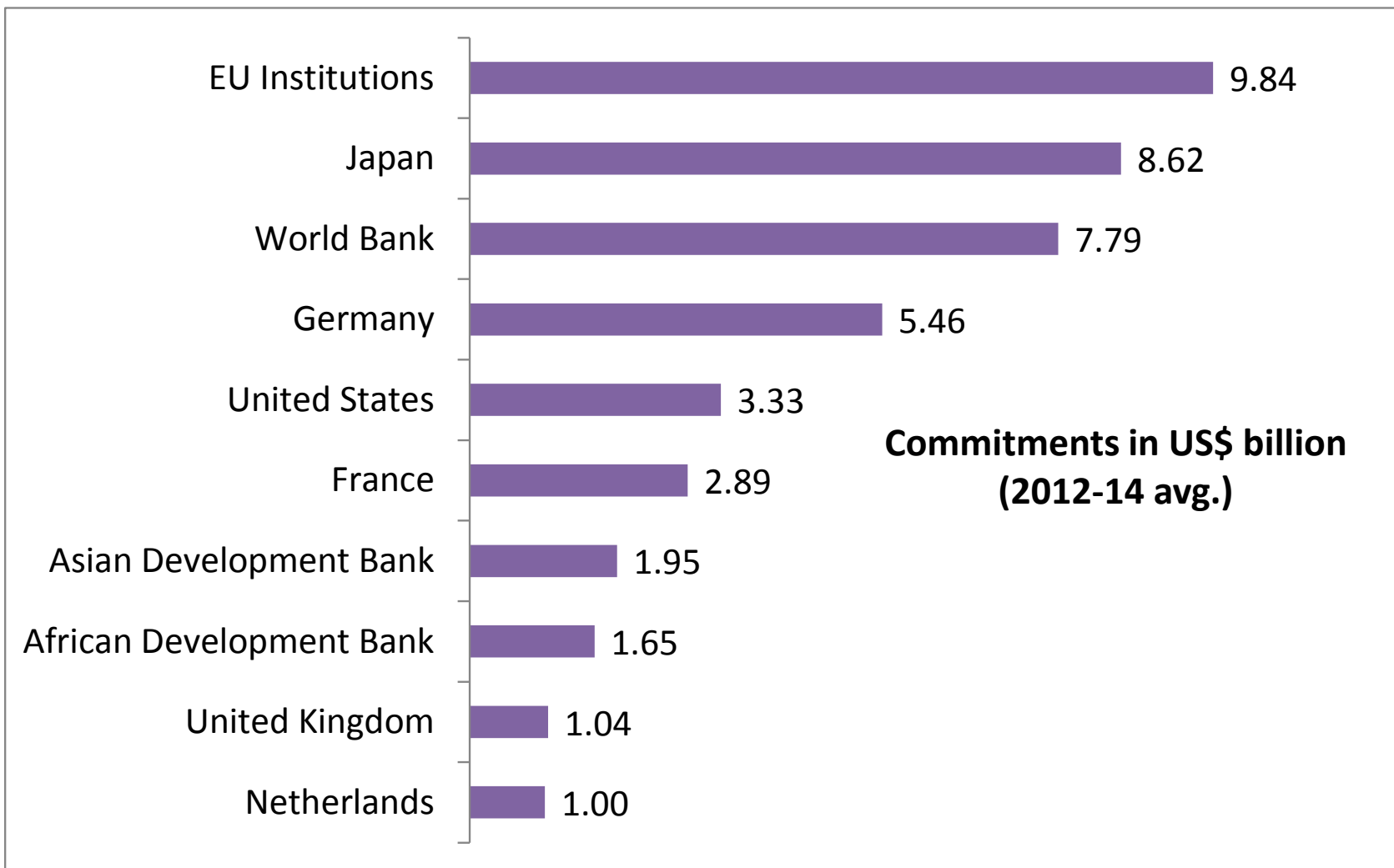
- Commitments steadily increased from 25 to 55 US\$ billion (+120%)
- Economic infrastructure increased to US\$ 31.3 billion (+142%)
- Building-productive capacity increased to US\$ 22,5 billion (+101%)

In 2014, trade policy & regulations represented 1.8% of the year total



Aid for Trade – top 10 donors

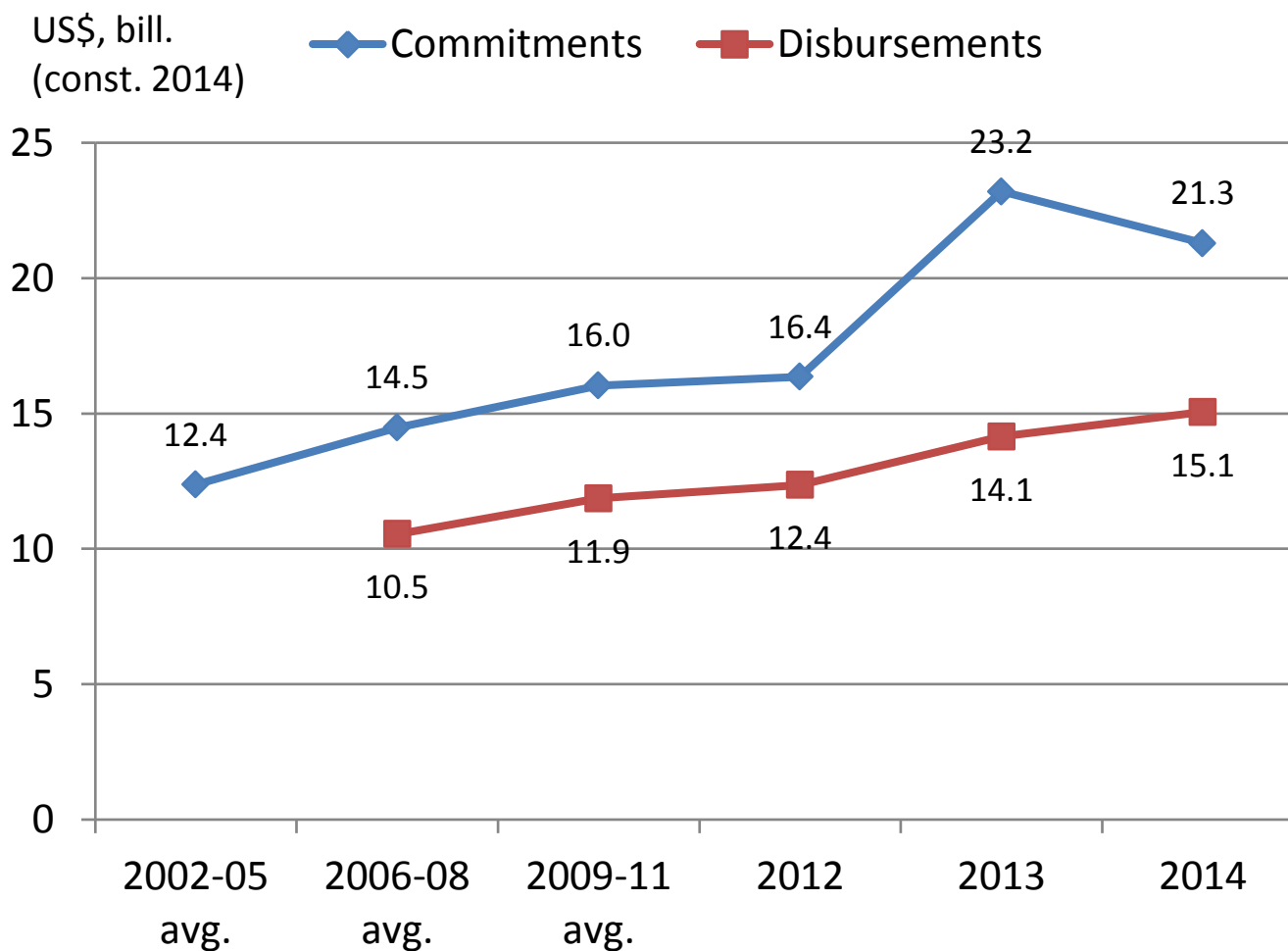
Source: OECD-CRS, Creditor reporting system





Aid for Trade to Asia – trends

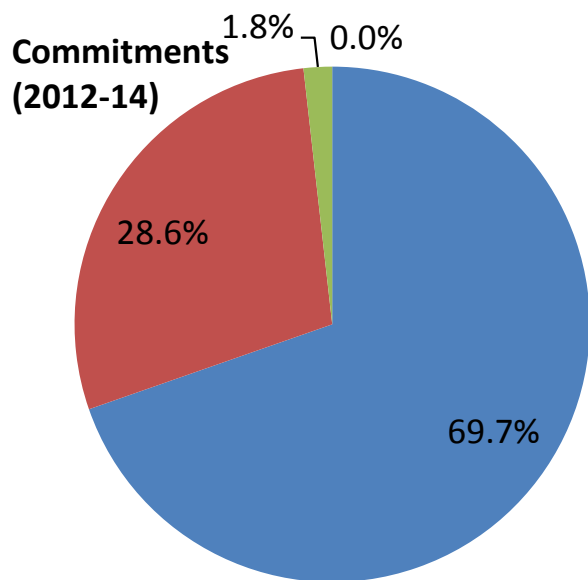
Source: OECD-CRS, Creditor reporting system





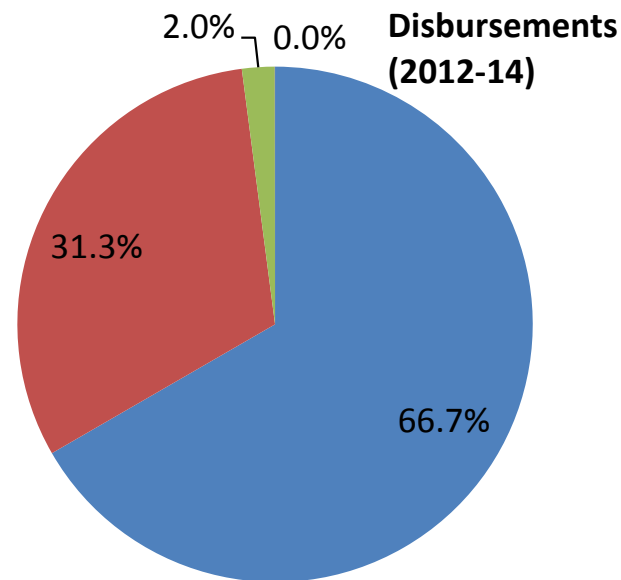
Aid for Trade to Asia – sectors (2012-14 average)

Source: OECD-CRS, Creditor reporting system



US\$ 20.8 billion

- Economic Infrastructure
- Building Productive Capacity
- Trade Policy & Regulations
- Trade-related Adjustment

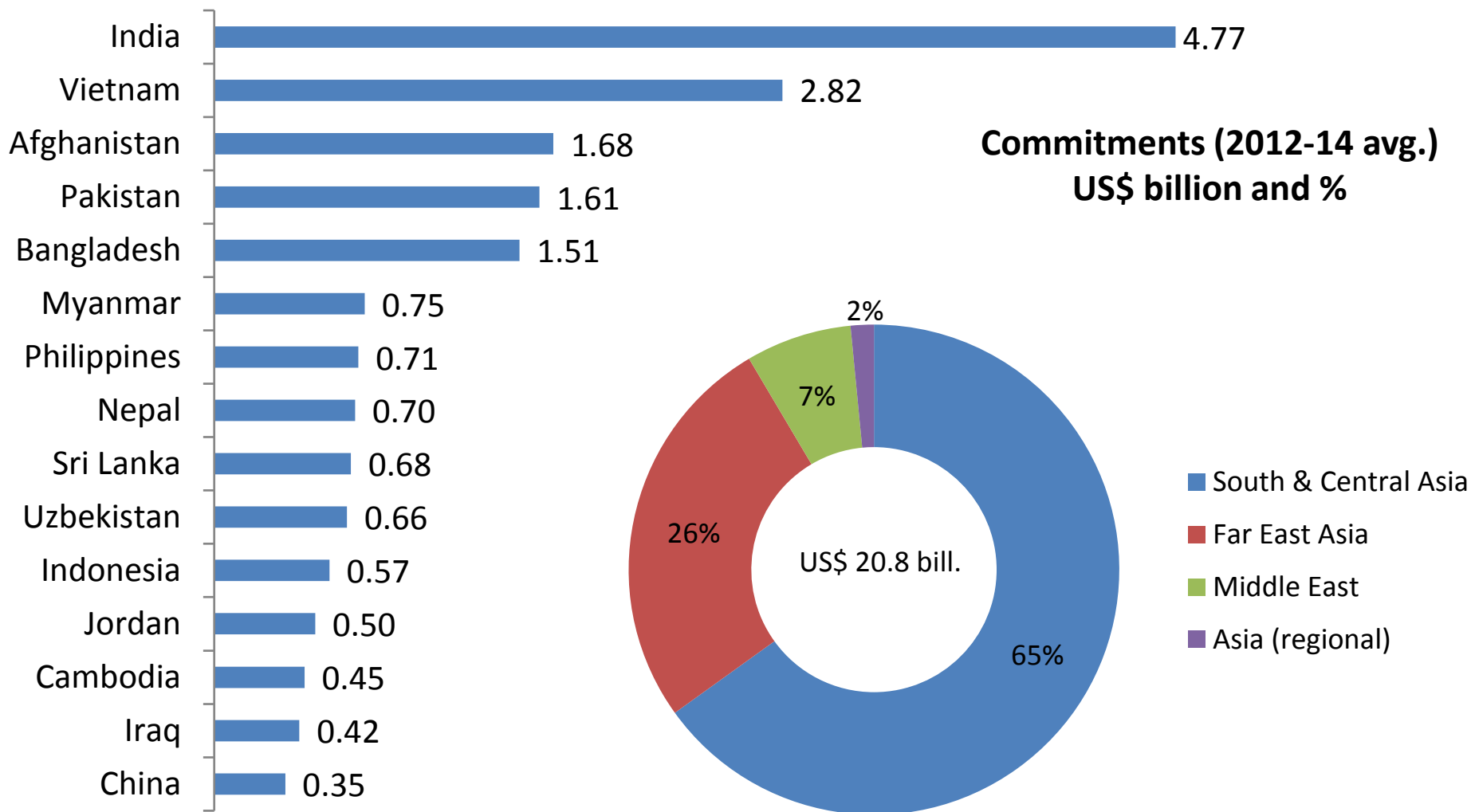


US\$ 14.3 billion



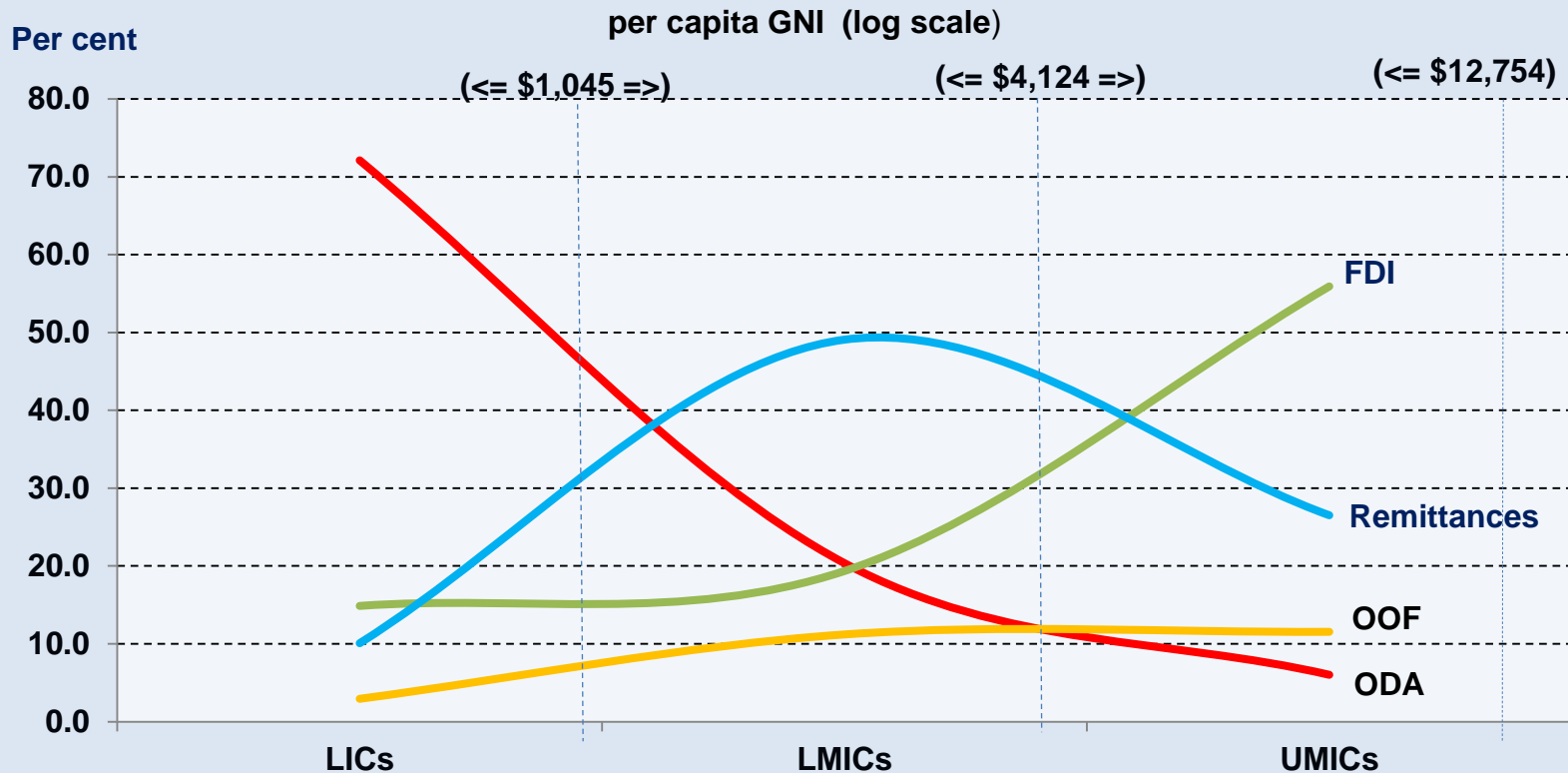
Aid for Trade to Asia – recipients (sub-regions and top 15)

Source: OECD-CRS, Creditor reporting system



Finance for Development

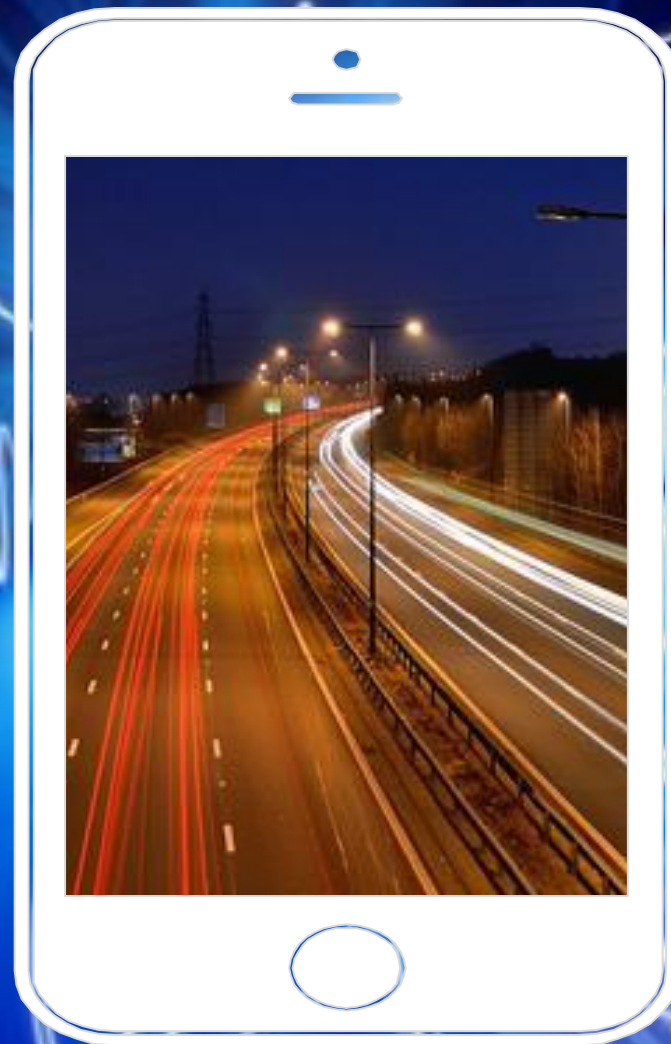
ODA is especially important for LICs



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

Electronic Survey Links	View as PDF file
Partner Country questionnaire	WT/COMTD/AFT/W/64
Regional Economic Community / Transport Corridor questionnaire	WT/COMTD/AFT/W/65
Donor questionnaire	WT/COMTD/AFT/W/66
South-South Partner questionnaire	WT/COMTD/AFT/W/67
Case story template	WT/COMTD/AFT/W/68



Aid for Trade and the SDGs

THE GLOBAL GOALS

For Sustainable Development

