Q. Can you give us a bit of background on the Aid for Trade Initiative?

A. The Aid for Trade initiative was launched in 2005 at the Hong Kong Ministerial Conference. A Task Force subsequently operationalized the Initiative. The 2006 recommendations focused on measures to better articulate demand for development assistance to address trade-related infrastructure and supply side constraints by integrating these needs into national and regional economic planning frameworks. The recommendations urged development partners to align with these frameworks and needs by better integrating trade into existing mechanisms. Emphasis was also placed on how to ensure that the demand and provision of Aid for Trade were aligned, with the Enhanced Integrated Framework a particular focus for dialogues with LDCs. A monitoring and evaluation mechanism was also established jointly with OECD, with periodic global reviews of Aid for Trade placed at the heart of this mechanism.
Aid for Trade, in simple terms, means trade-related technical assistance. Aid for Trade can be categorized under: Trade Policies and Regulations, Economic Infrastructure, Building Productive Capacity and Trade-related Adjustment.

Q. What has been achieved since the launch of the Aid for Trade Initiative in 2005?

A. The Aid for Trade initiative has helped developing countries and LDCs better integrate trade priorities into their national and regional development policies. In so doing, greater policy focus has been brought to trade issues and more resources have been allocated to address trade-related needs.

Aid for Trade initiative has been able to profile trade as a tool for development. It has brought the trade and development communities together to share prioritize trade in national development and share experiences on Aid for Trade in the ground. Countries have increasingly mainstreamed trade into national development. The SDGs now call for an increase in Aid for Trade.

More than US$300 billion of aid-for-trade support has been disbursed since the initiative was launched. Some 146 developing countries have received support, mainly in Asia (41.5%) and Africa (38.7%), with 27% of the total going to LDCs. Disbursements to LDCs reached a record US$10.5 billion in 2015. Below are some key figures on income level breakdowns and top 10 recipients from 2006-2015.

Econometric analysis shows:

- one dollar invested in aid for trade is associated with an increase of nearly USD 8 of exports from all developing countries

- one dollar of aid for trade to International Development Association (IDA)-eligible poorest countries amounted to US 20 in new exports and to USD 9 for all low and lower-middle income countries. (Aid for Trade at a Glance 2013)

Over 500 case stories since 2006 demonstrating Aid for Trade on the ground, five Aid for Trade at a glance publications covering these various themes, accompanied by Aid for Trade Country Profiles. 2017 edition for the Country Profiles highlights changes...

Q. What are the main highlights of the 2017 Aid for Trade at a Glance Publication?

A. 

1. «Digital trade policy divide» – less than half of trade ministries ministry respondents aware of national ICT connectivity plans and even fewer engaged in national coordination activities

2. The digital divide is also a market access divide. Those offline miss out on the Internet marketplace.

3. Affordability – Digital divide has supply and demand elements. Focus moving to demand
especially affordability—and trade measures that influence it (services competition and border tax regimes for devices)

4. **Trade Facilitation**: digital connectivity integral to the operation of TF systems e.g. authorized operator or single window

5. **E-commerce needs more than just digital connection**—payments, logistics, legal frameworks, skills, finance, infrastructure

6. **Services**: Strong link to inclusive trade outcomes, to infrastructure and industrial development desired by developing countries

Q. It has been raised quite a few times during discussions that while the share of resources for trade have done up, the share of resources for the digital have gone down. What are your views about this?

A. A key role that the Global Review plays is to cast a spotlight on exactly this type of issue. By bringing transparency to the allocation and destination of aid-for-trade resources, the Global Review promoted debate on prioritization of needs and resources.

Important to recall though is that aid resources should be allocated on the basis of the priorities expressed by developing and in particular least-developed countries.

And here, all stakeholders that responded to the AfT monitoring and evaluation exercise agreed that future demand for Aid for Trade resources to address connectivity issues is likely to increase.